

SLOVENIA

Country Market Statement 2014

Ministry of Agriculture, Forestry and Food

Ljubljana, October 2014

1. General economic trends

This Chapter is reproduced from the publication: Autumn forecast of economic trends 2014. Institute of Macroeconomic Analysis and Development (IMAD), 2014.

The upturn in the international environment, the easing of tensions on financial markets and stronger investment activity of the government contributed to an improvement of economic conditions in Slovenia in the first half of the year. According to the most recent SORS data, economic activity in Slovenia has been rising since the beginning of 2013, seasonally adjusted. In the first half of 2014, GDP was up 2.5% year-on-year; the situation on the labour market also started to improve, while the banking system stabilisation at the end of last year—in conjunction with the easing of tensions on international financial markets—contributed to better terms of financing for the government.

2014 forecast

Assuming the recovery of economic activity in the international environment, an increase in infrastructure investment related to the absorption of EU funds and a modest recovery of household consumption, GDP will rise by 2.0% this year. The main driver of this year's economic recovery will remain exports, which will strengthen more than in 2013, owing chiefly to exports to the EU. Investment consumption will also rise more this year, mainly owing to strong growth in public investment in infrastructure in the first half of the year, which is, according to IMAD estimate, largely related to the absorption of EU funds. Having fallen considerably in the previous two years, private consumption will rise modestly this year. Given the need for fiscal consolidation, government consumption will decline again this year (-0.4%), but less than in 2013. The main factor in the decline will be the rationalisation of expenditure on goods and services, which last year increased.

Growth in exports (3.7%) will strengthen further this year on the back of higher merchandise exports, while growth in services exports will slow. Broken down by industries, medium-high technology industries made the greatest contribution to year-on-year growth, primarily the manufacture of electrical equipment, motor vehicles and chemicals and chemical products. Given the expected slowdown in economic activity in the EU, merchandise exports will also see slower growth in the second half of the year. The growth of imports (3.1%) will increase this year with stronger growth in exports and the expected growth of domestic consumption. Merchandise imports were up 2.1% in real terms in the first half of the year, mainly due to higher imports of consumer goods, with imports of passenger cars and semi-durable and non-durable goods contributing most to the increase.

The year-on-year growth of value added, which began in the second half of last year, continued in the first quarter of 2014 (3.0%). The greatest shift was recorded in the construction sector (F), where value added was up 17.3% year-on-year after several years of decline. The higher construction activity in 2014 was also attributable to ice damage repair. The improvement in the manufacturing sector stemmed from higher sales on foreign markets, while sales on the domestic market did not improve significantly. Since mid-2013, activity has been strengthening again particularly in medium-low-, medium-high- and high-technology industries, with low-technology industries still recording modest growth, on average.

The autumn forecast has been prepared in circumstances of increased uncertainty regarding the international and domestic environment. The downside risks in the domestic environment are mainly related to the insufficiently specified measures for the continuation of fiscal consolidation and measures for improving the business environment. Furthermore, downside risks are also associated with EU funds absorption.

2015 and 2016 forecast

The continuation of economic recovery in the next two years will be related to the further strengthening of export growth and the recovery of private consumption, but economic growth will be somewhat lower than this year due to the slower growth of investment consumption related to the expected dynamics of public investment. In the next two years, GDP growth will continue to depend in particular on exports.

The contribution of domestic consumption will also be positive. Export growth will be related to the anticipated gradual strengthening of economic recovery in the main trading partners. Higher growth is projected particularly for exports to EU countries, while exports to non-EU countries will increase only gradually. Growth will rely on more technology-intensive products (the pharmaceutical and chemical industries, the manufacture of motor vehicles and electrical equipment). Private consumption is also expected to increase gradually over the next two years. Owing to corporate deleveraging and banking system stabilisation, access to sources of finance should start improving gradually, and this—together with the necessary replacement of machinery and equipment and stronger foreign demand—will result in a gradual recovery of business investment in machinery and equipment in 2015 and 2016.

2. Policy measures

The ice damage in Slovenia (January 30 to February 10, 2014) caused considerable damage to forests and infrastructure. Slovenia forest service (SFS) estimates that due to ice damage, over 9 million m³ of wood will need to be felled, one third of this estimate being conifers. The damaged conifer trees are to be felled until spring of 2015 and the damaged deciduous trees until 2017. The SFS estimates the damage in forests and forest infrastructure caused by the natural hazard at over EUR 200 million. Measures aimed at eliminating the consequences of this natural hazard have been adopted at the national level.

The Act Regulating Measures for the Recovery from Ice Damage which Affected the Republic of Slovenia between January 30 and February 10 2014 (Official Gazette of the RS, No. 17/14) provides for government budgetary reserve appropriations intended for emergency remedy of ice damage consequences and decreases the administrative demands in ensuring the passability of traffic routes, administrative procedures for damaged routes reconstruction, simplifies the construction of sledges for faster stabilization of ice damage consequences, etc. Regular felling has been held back in areas that were most affected due to emergency stabilization measures for preventing subsequent damages due to bark beetles and diseases. This Act has provided for additional employment of contractors and the SFS to strengthen the implementation of tasks in the natural hazard stabilization. This Act also foresees tax reliefs (remission or lower cadastral income) for forest owners whose forest areas were destroyed or damaged in over 50%.

Amendments and additions to the Forest Act (Official Gazette of the RS, No. 17/2014) have simplified the administrative procedures and thus enabled a faster and more efficient felling and harvesting of the ruined and damaged trees. To ensure the due diligence system required by the Regulation (EU) No 995/2010, the forest owners or owners of other tenure where forest tree species were growing must record the data on use and traffic of forest wood assortments, and these records must be kept for five years. For this purpose and until April 30 2014, the „Charter on Use and Traffic of Forest Wood Assortments“ will be used.

In the field of green economy and wood construction, the **Regulation on green public procurement** (Official Gazette of the RS, No. 102/2011) has been most important. In 2014, the share of delivered sets of the selected groups of products and services (paper, construction and buildings, electronic office equipment, furniture, vehicles, electricity, food and cafes and restaurants, cleaning supplies and cleaning services), for which a 50% goal of green public procurement is foreseen in the Action Plan on Green Public Procurement for the period 2009–2012, and taking into account the environmental aspect, was 45.03%.

In its **Rural development Programme 2014–2020**, the Ministry of Agriculture, Forestry and Food has included a measure (Prevention and Recovery of Forest damages due to Forest Fires, Natural Disasters and Catastrophic Events—Submeasure 8.4) for non-refundable aid allocation for restoration of forests damaged in the natural disaster. The beneficiaries are private and public forest owners. The aid shall include costs for works concluded and costs for the material needed for the implementation of activities.

The **EU Timber Regulation** mainly applies to wood and wood products imported into the EU; however its provisions also apply to wood and wood products coming from the EU. In Slovenia, these requirements have been implemented through the **amendments in the Act on Forests**, which manages

the control and jurisdiction, imposes obligations and implements control over the flow of wood. Slovenian companies are active in the field of wood and wood products imported from Bosnia and Herzegovina and Serbia. The control is carried out by the Financial Administration of the RS (FURS), the Inspectorate of the RS for Agriculture, Forestry, Food and the Environment, and the Police Service of the RS.

Amendments to the Act on Forests are foreseen in the field of forest management and forestry organization, and these shall define the future methods for state owned forest management. The existing 20-year concessions in state owned forests expire in the middle of 2016.

A proposal for the Act on the management of forests owned by Republic of Slovenia has been drafted for the purpose of improved ice damage sanitation. This Act would define the future state owned forests management regime, however it was not adopted due to the collapse of the Government of the RS.

3. Market factors

Data sources: IMAD, SORS and SFI

In Slovenia, wood is recognized as a strategic and renewable resource with important future potential; however the situation in the forest-wood processing chain in Slovenia is still far from the desired increased added value of wood. Contraction in the furniture industry has eased, however it has still not reached its lowest point. The production of sawn wood does not follow the technological development and trends in Europe, and this has led to a high increase in conifer logs exports over the last few years. Industrial undertakings that process industrial wood of smaller dimensions or lesser quality present a welcome exception as their performance as a whole is stable and they are export-orientated.

Compared to previous years, the value of construction put in place saw a significant increase last year and especially in 2014, mainly due to the absorption of European Funds for investments into infrastructure. Thus the value of construction put in place in the field of construction of buildings increased by 52% in the first six months of 2014, and the non-residential construction by 13%, while the residential construction foreseen for the second quarter decreased (-3.2%). For the last six months of 2014, a decrease in construction investment is foreseen. In the first eight months of 2014, the number of issued building permits for new buildings and flats decreased by 11% and 18% respectively.

In the domestic market, the consequences of lower household consumption of long-keeping products are reflected in the furniture segment. The trends in the wood processing industry (C16) have been more favourable this year with the scope of production increasing by 8.8% in the first eight months. However we estimate that the increase in the year as a whole will only amount to about 5%.

Despite the favourable geostrategic position, the development and establishment of some wood industries is being held back by the small interest of domestic investors and the absence of larger foreign investments into wood processing in the sawn conifer wood production segment. In the beech plywood industry, a long-term partnership with a German company shows a strengthening of the sole Slovenian manufacturer. Low domestic demand, a persisting high level of corporate debt and the level of available financing continue to have an adverse effect on business investments.

ECO Fund support and loans for construction and use of wood in builder's joinery, replacement and installation of highly efficient modern boilers run on wood biomass, and energy-efficiency requirements of new constructions (builder's joinery, insulation) have a positive effect on the use of wood in construction. The construction of public facilities constructed from wooden materials is promoted in compliance with green public procurement policies.

4. Developments in the wood products market

Data sources: SORS, IMAD, CCIS: Paper and Paper Converting Industry Association and Wood Processing and Furniture Association, SFI; recalculations, analysis and interpretation of SFI

a) Roundwood

The felled amount was officially at 3.9 million m³ last year. The felling amount is estimated to exceed 5 million m³ in the first six months of 2014 due to ice damage and favourable weather conditions. The production of forest wood assortments (excluding bark) in 2013 increased by 2% and was officially at net 3.4 million m³, of which 1.9 million m³ accounted for conifers. Due to the sanitation of trees damaged in the ice damage the production is estimated to reach record quantities this year—the assortments structure will change and the lower quality wood share is estimated to significantly increase both in conifer and deciduous wood.

Industrial undertakings in Slovenia that process lower quality wood are a large consumer of increased wood quantities in the Slovenian market. Following a significant decrease in imported wood quantities this year, undertakings are buying Slovenian wood in the largest possible quantities, which are only limited by the physical storage limitations—already completely full in case of the largest undertakings. Increased wood quantities in the market have also influenced foreign trade flows. All quality grade roundwood exports recorded a significant increase in exports to Austria and Italy, which are the largest importers of wood from Slovenia. The export of wood for pulp and wood boards to Austria and Italy, and the export of Scots pine to Austria, especially stand out. On the other hand, imports from Austria (lower quality conifer wood) and Croatia (lower quality deciduous wood) have decreased due to smaller supply to undertakings in Slovenia.

The imbalance in the roundwood market in Slovenia is the result of larger quantities due to extremely favourable weather conditions for harvesting, and the ice damage this year. In regards to sales, Austria has become one of the key markets for Slovenian industrial conifer roundwood, and the situation and trends in Austria therefore directly influence the Slovenian market both from the prices and the supply-demand (forest wood assortments) relationship perspective. Due to this important influence of the Austrian market, the situation in Slovenia further tightened both from the supply and decreased prices perspective, while these are completely market-driven, logical and similar to prices in Central Europe. This year, lower quality roundwood excess problems (wood for pulp and wood boards mainly from conifers, and also fuel wood) are evident in Austria and in parts of Germany, where the main reasons for this situation stem out of weather conditions favourable to felling; the import of contract quantities from the Baltic, the Czech Republic and other countries; relatively high stock in industry at the beginning of the year; increased supply of sawn wood residues (wood in chips, sawdust); decreased demand from wood fuel manufacturers (pellets production, firewood production); and regional changes in demand.

As a consequence to excess wood quantity supply on the market and the developments in main trade partners, the prices in all roundwood categories have decreased, most prominently in lower quality deciduous wood. Data on private forests purchase (SORS) show that the decrease in prices has eased. The felling dynamic also decreased in the second six months of the year, as 6% less deciduous wood was purchased in August; however 14% more conifer wood was purchased compared to August 2013.

Slovenia is a markedly net exporter of roundwood. The exports of all industrial roundwood categories has increased again in 2013 and amounted to 1,5 million m³. The imports also increased slightly in 2012 (+25%), mainly due to conifer wood for pulp and wood boards. The main foreign-trade partners are Austria and Italy.

The decreasing trend of industrial roundwood consumption in Slovenia, which has been prominent since 2007, eased in 2013.

b) Wood biomass for energy

The gross domestic consumption of renewable energy sources (excluding hydro energy) amounted to 28,794.3 TJ in 2013. Compared to the previous year, the amount of energy from renewable energy sources increased by 2.1%. The prevalent share of 63.9% in this structure belongs to biomass (-5.4% compared to the previous year), followed by geothermal energy 10.4% (+28.3%), non-renewable industrial waste 5.7% (+10.6%), solar energy 5.5% (+42.1%), biodiesel 7.2% (+8.1%), landfill gas 0.9% (-3.6%), bio petrol 0.7% (+11.3%) and sewage sludge gas 0.4% (-1.7%). Calculated through EU methodology, the share of energy from renewable sources, non-renewable industrial waste and hydro energy reached 19.4% in the final

consumption of energy in 2013. The gross domestic consumption of wood biomass for energy dropped by almost 5% in 2013 (The Republic of Slovenia Energy Balance 2013).

Wood and wood residues are predominantly used for production of energy (more than 90%). According to currently available data, there are more than 40 district heating systems run on wood biomass in Slovenia, with a total installed interval power of 85kW to max. 152MW. The total installed power of all mentioned systems is estimated at 235MW with a yearly heat and electricity production of 212GWh and 31GWe respectively.

According to SORS data and SFI estimates, the consumption of wood for energy purposes in 2013 was estimated at 2 million tons. In the last few years and due to a decrease in energy consumption by wood industries, a trend of lower wood consumption in larger energy systems has been recorded (this trend continues in 2013). The largest consumer of wood for energy purposes remains the district heating system in Ljubljana with the installed power of 152MW, however this system depends on co-incineration of coal and wood. Their total yearly energy production amounted to 60GWh of heat and 31GWe of electricity, and their total yearly consumption of wood in chips for 2013 amounted to 67,000 tons.

The use of wood biomass in households has been slightly increasing, which is evident from the larger number of households using wood for heat production. The share of households using wood fuel for heat production is on the increase—in 2005, this share amounted to 38.9%, while in 2010 it already amounted to 42.7% (SORS). Recent SORS data from 2014 shows that Slovenian households consumed some 1.65 million tons of wood fuel in 2013 (this shows an increase of 2% compared to 2012).

Slovenia is a markedly net exporter of pellets, which stems from an increasing number of households using pellets for heat production, and also from a low pellets production in Slovenia despite predictable market opportunities both at home and on export markets (Italy). In 2013 and 2014, domestic demand increased, which led to increased import of pellets predominantly from Romania. The monitoring of manufacturing and foreign trade shows that the production of pellets in Slovenia failed to follow market opportunities.

In view of new investments planned into pellets production capacities and the planned production for 2014 it is estimated that the production of pellets will exceed 100,000 tons for the first time in 2014 (+10% compared to 2013). Most of Slovenian pellets manufacturers are relatively small undertakings (yearly production capacities under 10,000 tons), therefore they do not have a well-organized pellets supply and are active predominantly on the local market. Slovenian largest pellet manufacturer with a yearly production capacity of 55,000 tons exports most of its goods to Italy. Investments into new capacities are estimated to further increase production in 2014 and in the following years.

Pellets export is increasing and amounted to 70,000 tons (+63%) in 2013. Traditionally, the key export market is Italy (over 90% of quantities). Import characteristics are varied due to a large import increase in 2013, to 120,000 tons (+134%). The import originates in Bosnia and Herzegovina, and Croatia. In 2013, the pellets foreign trade deficit amounted to 50,000 tons in quantities and over EUR 7 million in value. This year, it is estimated that consumption of pellets will continue, domestic production will increase and pellets imports will continue to grow.

c) Certified wood products

A quarter of a million ha of forests are certified by the FSC system, which presents a good fifth of the complete forest area in Slovenia. The number of companies with the FSC certificate for tracking certified wood (CoC) continues to increase and exceeded 200 this year. Companies with FSC CoC certificates are dispersed over the whole wood supply chain, from forests to final products. Companies use the FSC certificates for tracking wood predominantly as a marketing mechanism for export markets. At times in 2014, there were shortages of domestic FSC certified beech logs produced by local sawmills.

The PEFC Slovenia manages activities aimed at the inclusion of private forest owners in the scope of a regional certificate; however the response remains relatively small as there is only limited demand for PEFC certified wood on the market. In some cases there is demand by wood retailers for roundwood

exports to Austria. According to the PEFC scheme, over 10,000 ha of forests are certified. The number of PEFC CoC certificates does not increase (under 20), and the holders are predominantly trade companies and dealers.

d) Value-added wood products

The Slovenian furniture industry produced a total revenue of EUR 263 million from sales in 2013, which is 9% less compared to 2012. The furniture industry sector ended the fiscal year with a net loss of EUR 6.0 million. The share in the net turnover structure in foreign markets for the furniture industry C31 amounted to 45.7%. Foreign market sales recorded a decline of 10.7%. The most intensive destinations for furniture exports were Germany, Italy and Austria.

The competitiveness of furniture industry (the complete furniture industry in C31), of which the manufacture of wooden furniture is a part, is a low technology industry that continues to decrease even after already being on the downfall for several years. This is evident from the scope of production, which decreased by additional 3.8% in the first eight months of 2014. The continued decline of the furniture industry export performance in the EU market is reflected in the negative margins of market share and export value growth in the last few years. The furniture industry recorded a 2.1% drop in sales within the first eight months of 2014 in the domestic market while the foreign markets recorded a 5.9% drop. In the domestic market, the consequences of lower household consumption of long-keeping products are reflected in the furniture segment. On the other hand a quantity and value increase of wooden furniture imports is foreseen for 2014, while the wooden indoor furniture exports will remain at roughly the same level as last year.

Despite the demand for cross laminated timbers (CLT) in building construction in Slovenia, this product is not yet being produced. The manufacture of engineered wood products for construction in Slovenia covers the manufacture of glued laminated wood roof trusses (GLULAM) with a yearly production of around 10 000 m³. In 2013 and 2014 there is a recorded increase in GLULAM imports, which could be a consequence of the bankruptcy of one of the manufacturers at the end of 2013.

In the last several years, the relative scope of the construction of wooden residential buildings has stabilized at a market share of 6% to 7%. Slovenian manufacturers of wooden prefabricated buildings produced 10% less m² compared to the previous year according to CCIS data. Over half of the manufactured quantities are exported to the European markets. In terms of quantity and value, the exports and imports were 40% and over 20% lower in 2013, respectively. Increased export values and quantities of wooden prefabricated buildings are estimated for 2014, while the imports will remain at about the same level as in 2013.

e) Sawn softwood

The scope of sawn softwood production increased in 2014 mainly due to increased wood supply on the market, which was the result of a mild winter and ice damage. Despite this, the continuing relatively small scope of sawn softwood production stems from developments in the buildings construction sector, especially in the segment of residential buildings construction, the competition in the field of log purchase and the competitiveness amongst companies, which are a result of unfavourable structures of sawmill plants (size and technological equipment). The divergence between conifer logs production and consumption in Slovenian sawmills is reflected mainly in the conifer logs exports growth.

The predominant part of sawn softwood statistical export comes from Austria and is exported through the Port of Koper into Africa and the Middle East. Following a constant drop in exports to neighbouring countries the trend turned in 2013 and 2014, as an increase in exports to Austria and Italy has been recorded. Sawn softwood exports to neighbouring countries (Croatia, Italy and Austria) were at 115,000 m³ in 2013 and increased by 10% in quantity. A new increase of 30% is estimated for 2014. Increased exports are recorded mainly to Italy and Austria (2014 estimate: 50,000 m³), which could be due to increased scope of wood cutting in the first six months of the year as a result of an increased quantity of logs on the market.

f) Sawn hardwood (temperate and tropical)

In 2013 and 2014, the external trade dynamics in the sawn hardwood segment increased. Sawn hardwood exports increased in quantity by 13% in 2013, while the imports increased by 17%. It is estimated that both export and import will increase by a further 20% in 2014. Beech and oak sawn wood imports originate in Croatia, Bosnia and Herzegovina, and Serbia. Export is aimed at Italy.

Slovenia has been a markedly net importer of oak, ash and other sawn hardwood in the last few years, with the exception of beech sawn wood, where Slovenia is a net exporter. The prevalent share of sawn hardwood exports belongs to beech wood. A manufacturer of beech treenails is one of the largest consumers of beech sawn wood in Slovenia, and this company also ranks as one of the largest of its kind in Europe.

The quantities and values recorded in the production and the import and export of sawn hardwood from tropical tree species are negligible. The import of sawn hardwood from tropical trees amounts at under 1,000 m³, and the export at 200 m³.

g) Wood-based panels (including veneer)

The wood-based panels industry is predominantly export-orientated. The consumption of all wood-based panels decreased by 9% in 2013, which was mainly due to a continued decrease in furniture production and a decrease in residential construction. The decreasing trend of domestic use of panels in Slovenia is estimated to continue in 2014 and 2015.

The consumption of particle boards in Slovenia mainly points at the scope of furniture manufacture. In 2013, 146,000 m³ of particle boards (including OSB boards) were used in the manufacture of furniture and construction, which is more than half compared to the record level of consumption in 2007 (260,000 m³). The consumption of particle boards (excluding OSB boards) continues to decrease and dropped 11% in 2013. It is estimated that consumption of particle boards will continue to decrease in 2014, in particular due to the decreased scope of industrial furniture manufacture and stagnation in residential construction. Following a decline in particle board production in Slovenia, the exports also dropped by 44% in 2013.

The consumption of fibreboards does not indicate the decline present in particle boards despite yearly fluctuations with the use of moving average. The consumption of fibreboards has been fluctuating around 50,000 tons/year in the last few years, and the trend is declining, therefore it is estimated that in 2014 and 2015 the consumption will continue to decline and imports will increase. The quantity and value of exports increased last year, by 16% and 13% respectively. The quantity and value of imports also increased last year, by 9% and 5% respectively.

Manufacturing and foreign trade of veneer were at similar levels as the previous year, with only quantity of exports recording a growth by 5%. This year, the manufacturing is estimated to decrease, as one of the manufacturers filed for bankruptcy, and another is facing liquidation problems. The quantities of tropical tree species veneer continue to decrease in foreign trade and their scope is negligible. Due to a new business cooperation concluded by the only remaining Slovenian manufacturer of beech veneer plywood panels, the manufacture of peeled veneer and plywood panels is expected to increase in the following years.

Plywood panel production is dominated by tri-layer shuttering composite conifer panels. Tree-layer shuttering panels exports dropped 3% in quantity and 4% in value last year. Exports are estimated to increase by 3% this year.

h) Pulp and paper

The scope of mechanical pulp production increased by 20% in 2013. In 2014 and 2015, the production is expected to record a 10% annual growth. The estimated production growth stems from investments by

Količevo Karton company (Mayr-Melnhof Karton group) and an increase in the production of card paper from raw fibres (i.e. Kromopak™). In the first eight months of 2014, the whole Manufacture of paper and paper products industry (C 17) recorded a production value growth of 2.2% in comparison to the corresponding period in 2013. The turnover increased by 6.5% in member states in the euro area this year. After filing for bankruptcy in 2012 and the sale to a new buyer, the Radeče Papir Nova paper factory started to operate again this year. Pulp exports are negligible as the production in Slovenia is completely integrated. Last year's chemical pulp imports remained at roughly the same levels as the year prior, and they are estimated to increase by 20% this year.

i) Innovative wood products

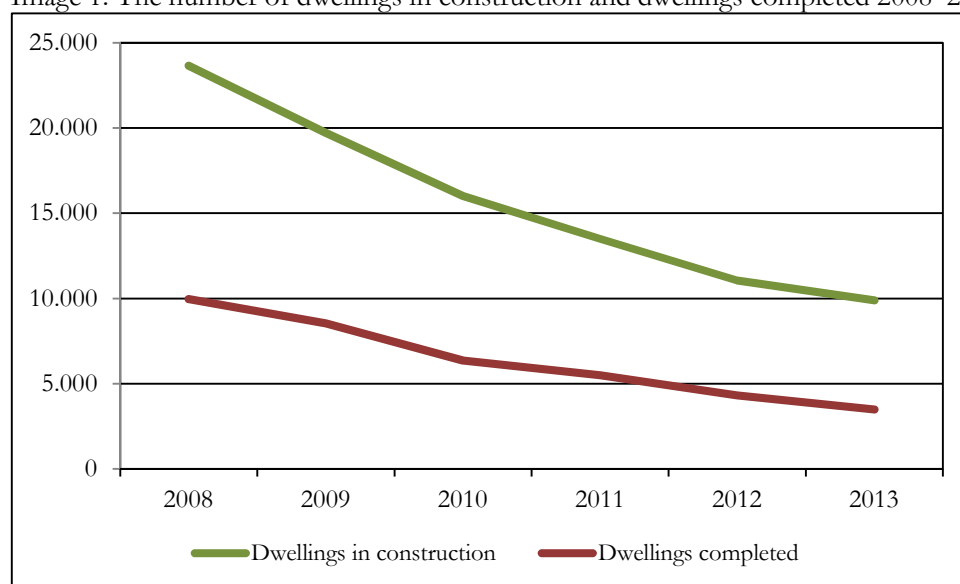
Dietary food supplements from wood and bark extracts are an important development potential in searching for new innovative products for pharmacy use. The most recent product is a fir tree extract (abigenol) with anti-oxidative effects, and it is produced and marketed as a dietary food supplement.

j) Residential construction and construction

The conditions in construction were favourable in 2014 and 2013, as the value of construction put in place saw a significant increase compared to prior years, mainly due to the absorption of European Funds for investments into infrastructure. Thus the value of construction put in place in the field of construction of buildings increased by 52% in the first six months of 2014, and the non-residential construction by 13%, while the residential construction foreseen for the second quarter decreased (-3.2%). Within the last six months of 2014, a decrease in construction investment is foreseen.

In the first eight months of 2014, the number of issued building permits for new buildings and flats decreased by 11% and 18% respectively. The residential construction decline that is still present is also reflected in domestic demand for builder's joinery. Slovenian manufacturers of wooden windows and doors are predominantly export-orientated. Following a continuous drop in window exports in the last 15 years, the 2014 quantity of exports is estimated to remain at the same level as last year. In door exports, the quantity of exports after 2010 remains at similar levels, with yearly fluctuations, and a 5% quantity of exports increase is foreseen for 2014. Both categories of products recorded a drop in the quantity of exports last year, windows 18% and doors 9%.

Image 1: The number of dwellings in construction and dwellings completed 2008–2013 (SORS)



Operation of companies in Manufacture of other builders' carpentry and joinery (16.230; NACE Rev. 2), which consists of the manufacture of prefabricated wooden buildings, builder's joinery (windows, doors, stairs...), and glued laminated roof trusses and roofing, was positive last year. In 2013, this segment gained a EUR 9.3 million net profit which exceeded the net profit gained in 2012 by 3.9%. Companies created half of their profits in foreign markets.

5. Tables

a) Economic indicators

	2013	Autumn forecast (Sep 14)		
		2014	2015	2016
GROSS DOMESTIC PRODUCT				
GDP, real growth, in %	-1.0	2.0	1.6	1.6
GDP in EUR m, current prices	36,144	36,931	37,755	38,790
EMPLOYMENT, EARNINGS AND PRODUCTIVITY				
Employment according to the SNA, growth in %	-1.5	0.6	0.4	0.5
Number of registered unemployed, annual average, in '000	119.8	120.6	119.4	116.7
Registered unemployment rate, in %	13.1	13.1	13.0	12.7
ILO unemployment rate, in %	10.1	10.0	9.9	9.4
Gross earnings per employee, real growth, in %	-2.0	1.0	0.7	0.6
- Private sector activities	-1.2	1.3	1.0	1.0
- Public sector activities	-3.0	0.8	0.4	0.2
Labour productivity (GDP per employee), real growth in %	0.5	1.4	1.2	1.1
INTERNATIONAL TRADE				
Exports of goods and services, real growth, in %	2.6	3.7	4.3	4.9
Exports of goods	2.8	4.3	4.8	5.1
Exports of services	1.8	1.2	2.5	4.2
Imports of goods and services, real growth, in %	1.4	3.1	4.2	4.5
Imports of goods	2.2	2.2	4.3	4.5
Imports of services	-3.1	9.0	3.7	4.3
BALANCE OF PAYMENTS STATISTICS				
Current account balance, in EUR m	2,101	2,024	2,128	2,221
- as a % of GDP	5.8	5.5	5.6	5.7
External balance of goods and services, in EUR m	2,605	3,064	3,261	3,570
- as a % of GDP	7.2	8.3	8.6	9.2
DOMESTIC DEMAND				
Domestic consumption, real growth, in %	-2.1	1.5	1.3	1.0
of which:				
Private consumption	-3.9	0.5	1.3	1.8
Government consumption	-1.1	-0.4	-1.0	-1.1
Gross fixed capital formation	1.9	4.5	2.5	0.5
Change in inventories, contribution to GDP growth, in percentage points	0.1	0.3	0.2	0.1
EXCHANGE RATES AND PRICES				
USD/EUR exchange rate	1.328	1.353	1.332	1.332
Real effective exchange rate – CPI deflator	1.3	0.0	-0.1	0.0
Inflation (Dec/Dec)	0.7	0.6	1.1	1.3
Inflation (annual average)	1.8	0.3	0.6	1.2
Oil price (Brent crude, USD/barrel)	108.6	107.0	102.0	102.0

Source: IMAD (Institute of Macroeconomic Analysis and Development of the Republic of Slovenia), Autumn Forecast of Economic Trends, September 2014

b) Production and foreign trade

Product Code	Product	Unit	Historical data		Revised	Estimate	Forecast
			2012	2013	2013	2014	2015
1.2.1.C	SAWLOGS AND VENEER LOGS, CONIFEROUS						
	Removals	1000 m ³	1.390	1.429	1.429	1.800	1.450
	Imports	1000 m ³	4 #	8 #	10	20	20
	Exports	1000 m ³	526 #	476 #	575	850	600
	Apparent consumption	1000 m ³	868	961	864	970	870
1.2.1.NC	SAWLOGS AND VENEER LOGS, NON-CONIFEROUS						
	Removals	1000 m ³	252	266	266	300	250
	Imports	1000 m ³	21 #	28 #	40	57	60
	Exports	1000 m ³	164 #	127 #	134	166	130
	Apparent consumption	1000 m ³	109	167	172	191	180
1.2.1.NC.T	of which, tropical logs						
	Imports	1000 m ³	1 #	1 #	1	1	1
	Exports	1000 m ³	0 #	0 #	0	0	0
	Net Trade	1000 m ³	1	1	1	1	1
1.2.2.C	PULPWOOD (ROUND AND SPLIT), CONIFEROUS						
	Removals	1000 m ³	232	251	251	620	300
	Imports	1000 m ³	115 #	182 #	184	135	200
	Exports	1000 m ³	144 #	148 #	217	457	210
	Apparent consumption	1000 m ³	203	285	218	298	290
1.2.2.NC	PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS						
	Removals	1000 m ³	283	227	227	440	350
	Imports	1000 m ³	64 #	93 #	94	92	90
	Exports	1000 m ³	194 #	265 #	273	387	280
	Apparent consumption	1000 m ³	153	55	48	145	160
3	WOOD CHIPS, PARTICLES AND RESIDUES						
	Domestic supply	1000 m ³	445 C	445 C	510	550	500
	Imports	1000 m ³	228 C	360 C	423	296	350
	Exports	1000 m ³	331 C	444 C	592	563	570
	Apparent consumption	1000 m ³	342	361	341	282	280
1.2.3.C	OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS						
	Removals	1000 m ³	41	42	42	50	40
1.2.3.NC	OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS						
	Removals	1000 m ³	22	74	74	75	75
1.1.C	WOOD FUEL, CONIFEROUS						
	Removals	1000 m ³	173	175	175	150	120
1.1.NC	WOOD FUEL, NON-CONIFEROUS						
	Removals	1000 m ³	948	953	953	1.500	1.200

Product Code	Product	Unit	Historical data		Revised	Estimate	Forecast
			2012	2013	2013	2014	2015
5.C	SAWNWOOD, CONIFEROUS						
	Production	1000 m ³	580	580	580	620	580
	Imports	1000 m ³	922	998	987	885	950
	Exports	1000 m ³	1.079	1.036	1.050	1.015	1.050
	Apparent consumption	1000 m ³	423	542	517	490	480
5.NC	SAWNWOOD, NON-CONIFEROUS						
	Production	1000 m ³	80	80	80	84	80
	Imports	1000 m ³	86	93	100	109	100
	Exports	1000 m ³	67	70	76	93	80
	Apparent consumption	1000 m ³	98	103	104	100	100
5.NC.T	of which, tropical sawnwood						
	Production	1000 m ³	0 R	0	0	0	0
	Imports	1000 m ³	2	2	1	1	1
	Exports	1000 m ³	1	1	1	0	0
	Apparent consumption	1000 m ³	1	1	1	1	1
6.1	VENEER SHEETS						
	Production	1000 m ³	25 C	25 C	25	23	22
	Imports	1000 m ³	9 C	10 C	10	10	10
	Exports	1000 m ³	18 C	19 C	20	21	21
	Apparent consumption	1000 m ³	16	16	16	12	11
6.1.NC.T	of which, tropical veneer sheets						
	Production	1000 m ³	1	1	1	1	1
	Imports	1000 m ³	0	0	0	0	0
	Exports	1000 m ³	1	1	1	1	1
	Apparent consumption	1000 m ³	0	0	0	0	0
6.2	PLYWOOD						
	Production	1000 m ³	67 C	66 C	66	63	68
	Imports	1000 m ³	21 C	21 C	22	32	32
	Exports	1000 m ³	52 C	48 C	48	56	63
	Apparent consumption	1000 m ³	36	39	41	39	37
6.2.NC.T	of which, tropical plywood						
	Production	1000 m ³	0	0	0	0	0
	Imports	1000 m ³	5	5	5	5	5
	Exports	1000 m ³	0	0	0	0	0
	Apparent consumption	1000 m ³	5	5	5	5	5
6.3	PARTICLE BOARD (including OSB)						
	Production	1000 m ³	90	40	40	40	40
	Imports	1000 m ³	144	149	146	147	145
	Exports	1000 m ³	72	40	39	52	60
	Apparent consumption	1000 m ³	162	149	146	135	125
6.3.1	of which, OSB						
	Production	1000 m ³	0	0	0	0	0
	Imports	1000 m ³	13	14	14	14	14
	Exports	1000 m ³	0	0	0	0	0
	Apparent consumption	1000 m ³	12	14	14	14	14
6.4	FIBREBOARD						
	Production	1000 m ³	130 C	125 C	125	125	125
	Imports	1000 m ³	51 C	55 C	56	43	43
	Exports	1000 m ³	111 C	128 C	126	137	140
	Apparent consumption	1000 m ³	70	52	55	31	28
6.4.1	Hardboard						
	Production	1000 m ³	0 R	0	0	0	0
	Imports	1000 m ³	10	10	10	10	10
	Exports	1000 m ³	6	8	8	9	9
	Apparent consumption	1000 m ³	3	2	2	1	1
6.4.2	MDF (Medium density)						
	Production	1000 m ³	130	125	125	125	125
	Imports	1000 m ³	37	41	40	29	29
	Exports	1000 m ³	104	120	118	128	131
	Apparent consumption	1000 m ³	63	46	48	26	23
6.4.3	Other fibreboard						
	Production	1000 m ³	0 R	0	0	0	0
	Imports	1000 m ³	4	4	5	4	4
	Exports	1000 m ³	0	0	0	0	0
	Apparent consumption	1000 m ³	4	3	5	4	4
7	WOOD PULP						
	Production	1000 m.t.	58 C	70 C	70	80	90
	Imports	1000 m.t.	202 C	205 C	200	239	242
	Exports	1000 m.t.	2 C	1 C	4	2	2
	Apparent consumption	1000 m.t.	258	273	266	317	330
10	PAPER & PAPERBOARD						
	Production	1000 m.t.	704 C	704 C	689	703	717
	Imports	1000 m.t.	338 C	359 C	353	359	360
	Exports	1000 m.t.	582 C	567 C	560	556	580
	Apparent consumption	1000 m.t.	459	496	481	506	497