

# AUTUMN FORECAST OF ECONOMIC TRENDS 2021

## HIGHLIGHTS

For this year, we forecast higher growth than in our Spring Forecast, which is mainly due to faster growth in activity in the first half of the year and better prospects in the international environment, as businesses and consumers further adapted to the changed conditions.

We expect growth to slow in the final quarter of this year, as the spread of the virus in the colder months, in addition to the restrictions already in place (recovered/vaccinated/tested rule), will lead to more cautious (self-limiting) behaviour by the population.

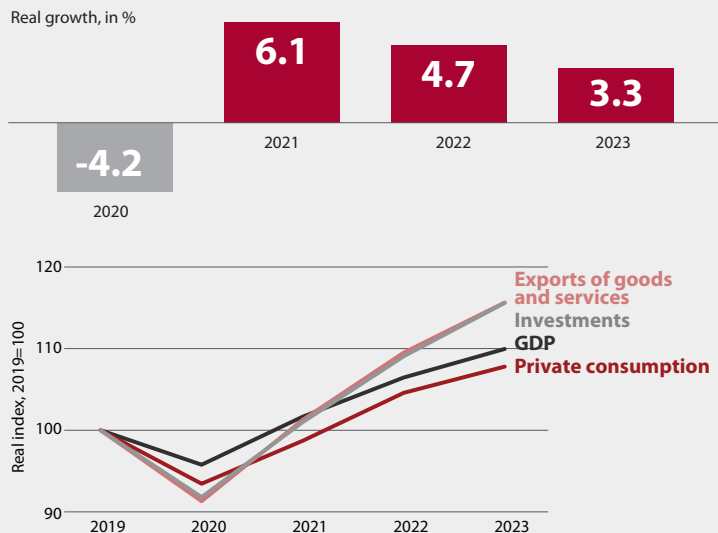
A well-planned adaptation of measures to mitigate the consequences of the epidemic to the epidemiological and economic situation remains very important, as is the strengthening of development content with the support of the funds from the Recovery and Resilience Plan and the multiannual financial framework.

## RISKS

- **Significant deterioration of the epidemiological situation and stricter containment measures**  
Slower release of high level of savings  
Substantial damage to the economic and social structure (bankruptcies, job losses, negative impact on the banking and financial sector)  
Higher inflation

- + **Faster-than-expected improvement in the epidemiological situation**  
Greater release of excess household savings and faster investment growth due to higher confidence  
Higher global economic growth  
Highly efficient use of NextGenerationEU funds

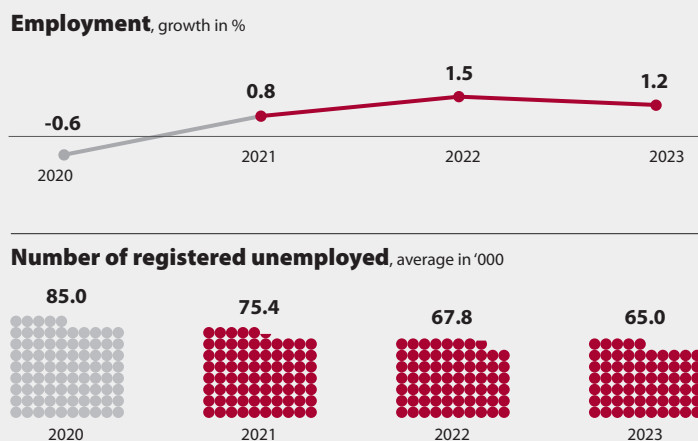
## ECONOMIC GROWTH



After last year's sharp decline, we expect 6.1% GDP growth this year, slowing to 4.7% next year.

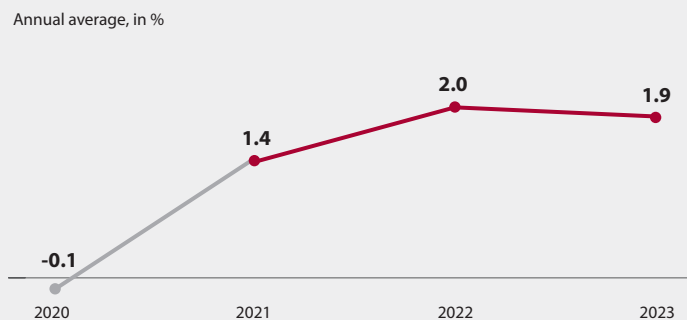
Economic growth is expected to reach 2019 pre-crisis levels this year. The same goes for exports and investment, while private consumption will not exceed this level until next year.

## LABOUR MARKET

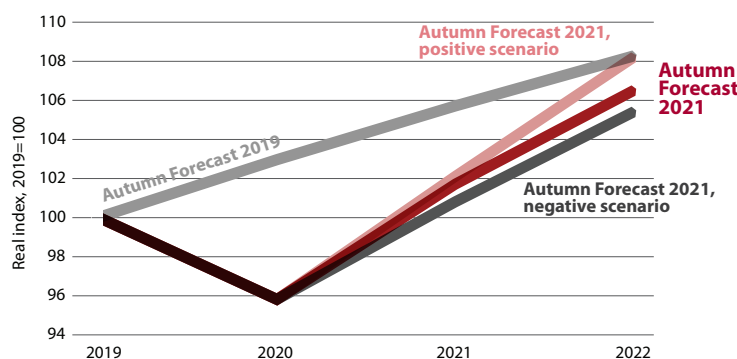


As the economy is recovering, labour market conditions are improving, and the negative impact of the coronavirus crisis continues to be mitigated this year by government measures. In the coming years, limitations due to labour shortage will become an even more pressing problem.

## INFLATION



After last year's deflation, inflation will gradually approach 2% again, assuming a moderate economic recovery. We expect higher non-energy commodity prices to be reflected in the final prices over a longer period of time.



The greatest risk to the forecast remains associated with the epidemiological situation in Slovenia and its most important trading partners.