IMAD

Institute of Macroeconomic Analysis and Development

Gregorčičeva 27
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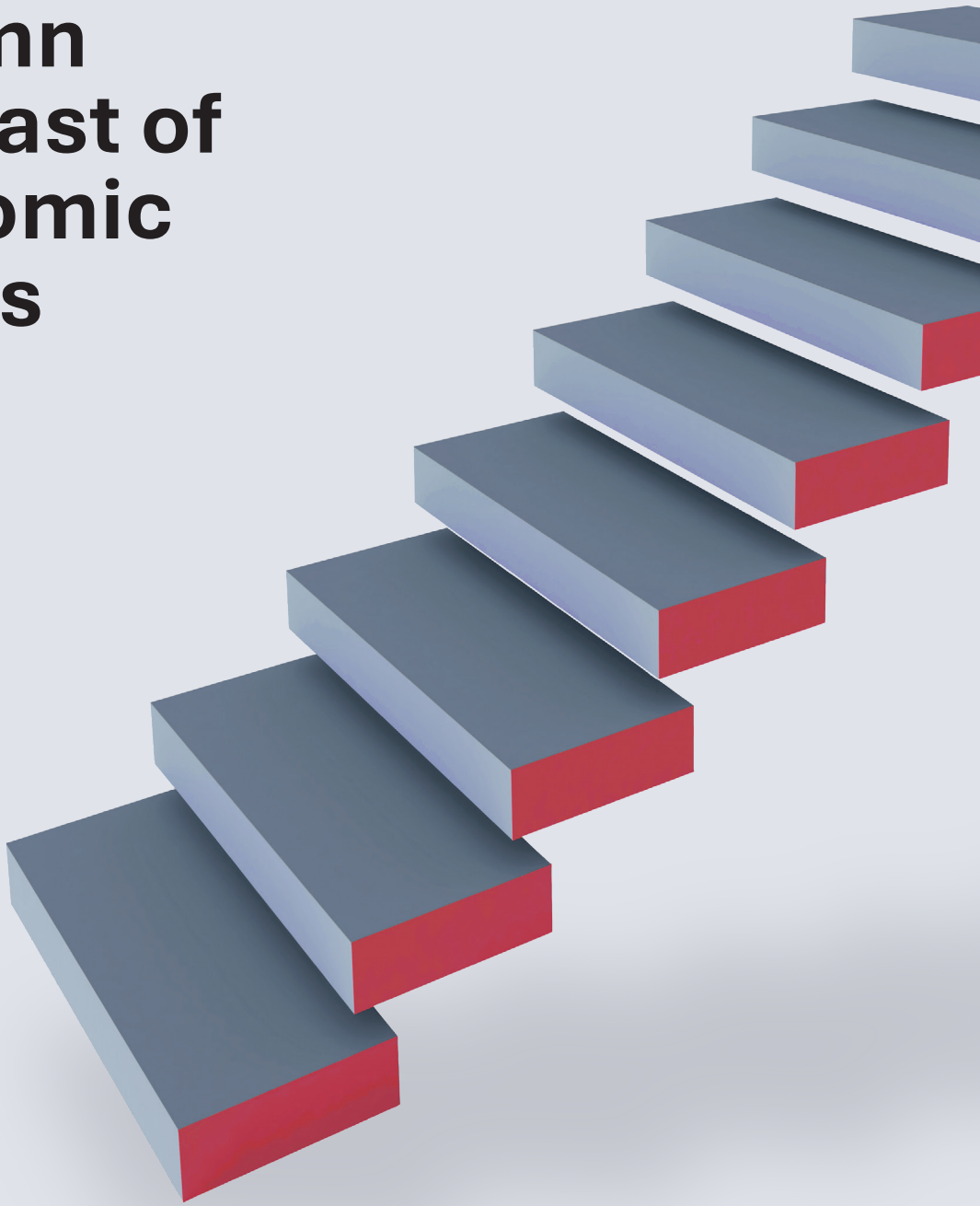
Slovenia

Autumn Forecast of Economic Trends

2025



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Autumn Forecast of Economic Trends 2025
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Summary

GDP growth is projected to decelerate from 1.7% in 2024 to 0.8% in 2025, well below the spring forecasts (2.1%); over the next two years, annual growth is expected to average around 2%. The slowdown is primarily driven by weaker export activity, particularly in the first half of the year, reflecting the economy's strong exposure to challenges in European industry. A noticeable recovery is not yet expected in the second half of the year, although conditions have shown some improvement. After the conclusion of trade agreements by the United States with several major partners, including the EU, uncertainty surrounding global trade policy, while still elevated, has eased somewhat from historically high levels. In parallel, some sentiment indicators in the euro area have begun to improve. Against this backdrop, economic growth in 2025 will be driven mainly by domestic demand, especially household consumption, supported by robust employment and accelerating wage growth. Following stagnation last year, gross fixed capital formation is projected to expand moderately this year, underpinned by growth in construction investment – particularly in non-residential and infrastructure projects – as well as additional investment in manufacturing, given the sector's high capacity utilisation. Government consumption growth is expected to remain more subdued than last year and below the levels envisaged in the spring. In particular, growth in social transfers in kind has moderated (following last year's introduction of the compulsory health contribution), as has expenditure on goods and services, which was elevated last year partly due to flood-related reconstruction. This year, flood recovery efforts are instead contributing mainly to higher social transfers and capital expenditure, which are supporting the growth of private consumption and investment. In the next two years, with somewhat stronger growth in external demand, a recovery is expected in the export-oriented segment of the economy. Growth in investment will also be higher, directed towards capacity expansion in the export sector and construction works, where, in addition to infrastructure investment, we also expect a renewed increase in residential investment. Government consumption growth dynamics in the next two years will reflect the phasing-in of new entitlements under the long-term care system.

Employment is projected to decline this year (by an average of 0.2%), and then largely stagnate over the following two years, while unemployment is expected to remain low throughout the entire period. After contracting in the first half of the year, employment is expected to stabilize in the second half of 2025. Despite stronger economic growth, employment is projected to remain largely stagnant over the next two years, primarily due to demographic constraints. A significant share of new job creation will continue to rely on the employment of foreign nationals. The average number of registered unemployed persons will remain broadly unchanged this year compared with the previous year. In the next two years, however, with unemployment at a historically low levels, further declines will be driven mainly by demographic factors, resulting in a gradual increase in transitions from unemployment into inactivity or retirement.

This year, nominal wage growth will reach 7.5% (10.0% in the public sector and 6.0% in the private sector), exceeding last year's growth, before easing somewhat thereafter, while real wage growth will exceed the rates observed a decade ago. In the public sector, the ongoing wage reform is expected to exert a significant impact, peaking in 2025 and gradually tapering off in 2026 and 2027. In the private sector, wage growth is also expected to remain relatively strong this year and in the coming years, supported by continued labour market pressures and amplified by the demonstration effect of public sector wage increases. Nevertheless, companies' efforts to preserve competitiveness are expected to result in more moderate real wage growth compared with recent years.

Inflation in 2025 (2.9% year-on-year at end-2025) will be somewhat higher than last year, mainly due to higher food prices, and above the level projected in the spring, before declining towards 2.3% over the next two years. Service price growth will also remain relatively elevated, driven further by wage growth due to labour shortages and by demand supported by the projected increase in disposable income. Some other indicators, however, suggest limited additional price pressures. Producer price growth is moderate, while import prices declined over the summer, reflecting lower energy costs and the appreciation of the euro. In the absence of external shocks, energy price dynamics will continue to be shaped by past administrative measures through base effects, and going forward, also by the network charges. After 2025, inflation is expected to ease to 2.3%, primarily reflecting a projected slight moderation in food price growth, with the effects of climate change continuing to weigh on production volumes and costs. Service price growth is expected to persistently outpace overall consumer price inflation, keeping core inflation slightly above 2% over a longer period.

The realisation of the Autumn Forecast is accompanied by significant risks, predominantly on the downside, stemming mainly from the international environment, though some originate domestically. The greatest downside risk to GDP growth from the international environment arises from a possible escalation of trade tensions and rising uncertainty, which would weigh on economic activity in Slovenia's trading partners, particularly through lower investment in sectors exposed to international trade. Another risk to the baseline forecast scenario is a potential deterioration in financial market confidence, which could tighten financing conditions and prompt greater caution by firms and households in investment and consumption decisions. Geopolitical and other risks, with the potential to slow the growth of the European and Slovenian economy at a time when it has long been facing structural challenges and declining competitiveness, also remain substantial. An escalation of conflicts in war-affected areas, particularly in the Middle East and Ukraine, could lead to higher prices of energy, food and transportation, and supply chain disruptions, further weakening global trade and European economic growth and intensifying inflationary pressures. On the domestic side, downside risks are primarily linked to the capacity to implement large-scale investment projects and to rising labour costs. Upside risks to growth include a stronger-than-expected impact of higher defence expenditure (both domestically and abroad), more effective attraction of highly educated labour, and favourable effects from EU funds absorption combined with reform measures.

Slovenia's main macroeconomic aggregates

	2024	Autumn Forecast (September 2025)		
		2025	2026	2027
GDP				
GDP, real growth in %	1.7	0.8	2.1	2.2
GDP, nominal growth in %	5.3	4.2	5.0	4.9
GDP in EUR billion, current prices	67.4	70.3	73.8	77.4
Exports of goods and services, real growth in %	2.3	-0.2	2.8	3.1
Imports of goods and services, real growth in %	4.3	2.4	3.1	3.4
External balance of goods and services (contribution to growth in p.p.)	-1.3	-2.0	-0.2	-0.1
Private consumption, real growth in %	3.8	2.2	2.2	2.4
Government consumption, real growth in %	7.3	1.6	3.8	2.3
Gross fixed capital formation, real growth in %	-0.3	0.8	3.0	2.5
Change in inventories and valuables (contribution to growth in p.p.)	-0.2	1.0	-0.3	0.0
EMPLOYMENT, WAGES AND PRODUCTIVITY				
Employment according to the National Accounts Statistics, growth in %	0.5	-0.2	0.1	0.1
Number of registered unemployed, annual average in thousands	46.0	45.1	44.5	43.9
Registered unemployment rate in %	4.6	4.6	4.5	4.4
ILO unemployment rate in %	3.7	3.6	3.6	3.5
Gross wages per employee, nominal growth in %	6.2	7.5	5.5	5.3
Gross wages per employee, real growth in %	4.1	4.9	3.1	3.0
– private sector	4.9	3.4	2.9	3.0
– public sector	2.5	7.3	3.5	3.0
Labour productivity (GDP per employee), real growth in %	1.3	0.9	1.9	2.0
BALANCE OF PAYMENTS STATISTICS				
Current account BALANCE, in EUR billion	3.1	1.8	1.6	1.4
- as a % of GDP	4.5	2.6	2.2	1.9
PRICES AND EFFECTIVE EXCHANGE RATE				
Inflation (Dec./Dec.), in %	1.9	2.9	2.3	2.3
Inflation (annual average), in %	2.0	2.5	2.4	2.2
Real effective exchange rate deflated by unit labour costs	-0.3	2.9	2.1	1.1
ASSUMPTIONS				
Foreign demand (imports of trading partners), real growth in %	0.8	1.9	2.1	2.5
GDP in the euro area, real growth in %	0.9	1.2	1.3	1.4
Oil price (Brent crude, USD/barrel)	80.5	69.8	65.4	65.2
Non-energy commodity prices in USD, growth	9.0	4.5	-0.5	-0.5
USD/EUR exchange rate	1.082	1.127	1.160	1.160

Sources: For 2024 SURS (2025), BoS (2025), ECB (2025a), EIA (2025), Eurostat (2025); for 2025–2027 forecasts by IMAD.

The Autumn Forecast of Economic Trends is based on statistical data, information and adopted measures known at the cut-off date of 5 September 2025.

Autumn forecast of Economic Trends 2025

1 Assumptions of the Autumn Forecast of Economic Trends 2025

Since the beginning of the year, economic conditions in the euro area have been significantly affected by heightened uncertainty regarding US trade policy, which eased somewhat over the summer, with the available indicators pointing to an improvement in economic conditions in the third quarter. In the first quarter, real GDP rose by 0.6% quarter-on-quarter[1] and by 1.6% year-on-year (seasonally adjusted). The relatively robust quarterly growth in the first quarter was partly attributable to firms front-loading exports in anticipation of higher tariffs, while investments and private consumption also made positive contributions.[2] In the second quarter, the growth of economic activity slowed. GDP rose by 0.1% quarter-on-quarter and by 1.5% year-on-year (seasonally adjusted). Confidence indicators for the third quarter suggest a continuation of growth in the euro area. Following the trade agreements concluded by the US with several major trading partners, including the EU (see Box 1), the historically high uncertainty regarding trade policies has eased somewhat, as reflected in improved business and consumer confidence indicators. The value of the composite Purchasing Managers' Index (PMI) in the euro area rose further in August, reaching its highest level in the past year (51.0). The services PMI deteriorated slightly in August but remained above 50 (the threshold between economic expansion and contraction) and, on average in July and August, was higher than in the second quarter. The manufacturing PMI rose in August to its highest level in more than three years and, on average in July and August, was above its second-quarter level. The Economic Sentiment Indicator (ESI) improved on average in July and August compared with the second quarter, supported by increased confidence across all activities and among consumers. Compared with the same period last year, it was somewhat lower and still below the long-term average.

The assumptions underlying the autumn forecast for euro area economic growth in 2025–2027 envisage a gradual acceleration of GDP growth, at a pace exceeding the spring projections. Uncertainty surrounding trade policies has eased somewhat; nevertheless, higher US tariffs, together with uncertainty related to the geopolitical situation and the appreciation of the euro, are expected to continue weighing on export performance[3] and investment activity. Investment is expected to strengthen gradually owing to the absorption of funds from the NextGenerationEU and more favourable financing conditions. Over the next two years, domestic demand in the euro area is also expected to be driven by increased public investment in infrastructure and defence, particularly in

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[1] Excluding Ireland, GDP increased by 0.3% in the first quarter and by 0.2% in the second quarter.

[2] The relatively strong investment growth was mainly the result of a sharp increase in Ireland's investment in intellectual property products and transport equipment. Net exports also contributed positively to growth, supported by robust exports of pharmaceutical products from Ireland. On the production side, the largest contribution to growth came from industry, followed by services and construction.

[3] Higher US tariffs on products from third countries, particularly China, are exerting additional pressure on the European economy. With reduced access to the US market, Chinese exporters are turning to other destinations, where they are intensifying competitive pressures through lower prices and substantial production capacity.

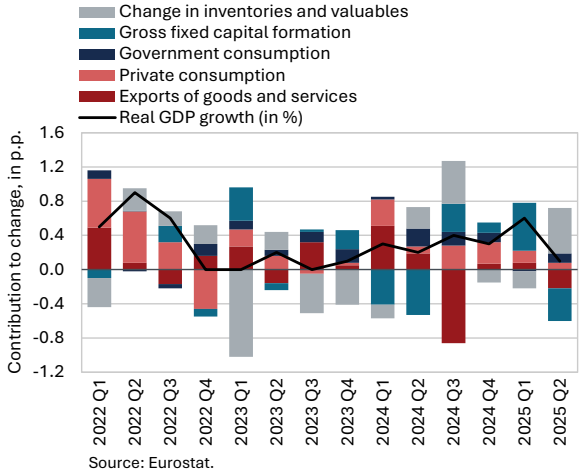
Germany. The growth of real wages and employment, along with the moderation of inflation and the decline in the household saving rate, will also have a positive impact on private consumption and, consequently, on economic growth. Based on the forecasts of international institutions, GDP growth of 1.2% is expected for the euro area this year, strengthening to 1.3% in 2026 and 1.4% in 2027. The forecasts are still subject to high uncertainty, stemming mainly from US trade policy and from the potential further escalation of the situation in the Middle East and in Ukraine (see Section 3).

Table 1: Assumptions regarding economic growth in Slovenia's main trading partners and foreign demand growth

Real GDP growth rates, in %	2024	2025		2026		2027
		February 2025	September 2025	February 2025	September 2025	September 2025
EU	1.1	1.1	1.3	1.3	1.4	1.6
Euro area	0.9	0.8	1.2	1.1	1.3	1.4
Germany	-0.5	0.0	0.2	0.7	1.2	1.3
Italy	0.7	0.6	0.6	0.7	0.7	0.8
Austria	-1.0	0.6	0.1	1.1	0.9	1.2
France	1.2	0.6	0.6	0.9	1.0	1.2
Croatia	3.9	2.9	2.9	2.8	2.8	2.7
Foreign demand, real growth in %	0.8	2.2	1.9	2.5	2.1	2.5

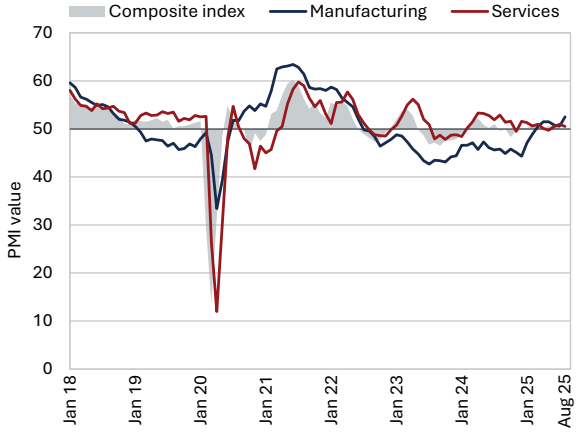
Sources: For 2024 Eurostat (2025); for 2025–2027 IMAD assumptions based on Consensus Economics (2025a, 2025b), ECB (2025c), EC (2025b), Focus Economics (2025a, 2025b), IMF (2025), OECD (2025a), WIIW (2025); IMAD estimate.

Figure 1: Euro area GDP grew by 0.6% quarter-on-quarter in the first quarter and by 0.1% in the second quarter



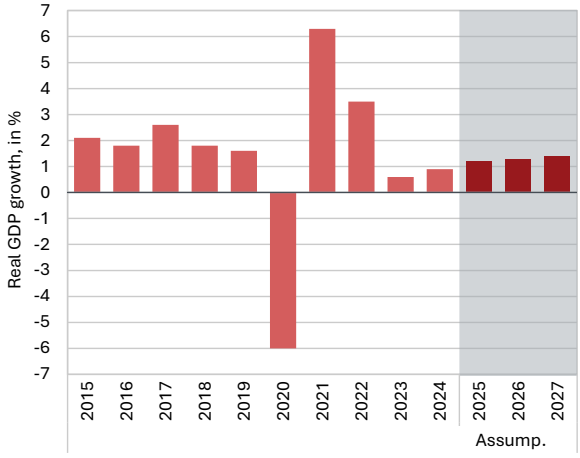
Source: Eurostat.

Figure 2: The composite PMI for the euro area in the third quarter points to an increase in activity



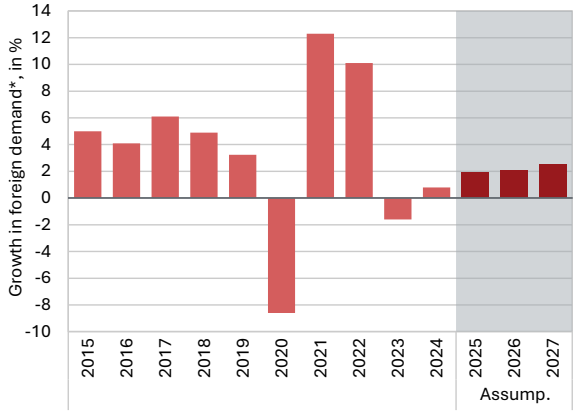
Source: S&P Global. Note: A reading above 50 signals an expansion, while a figure below 50 indicates a contraction.

Figure 3: Economic growth in the euro area is expected to strengthen this year and in the next two years



Source: Eurostat, IMAD assumption based on sources under Table 1.

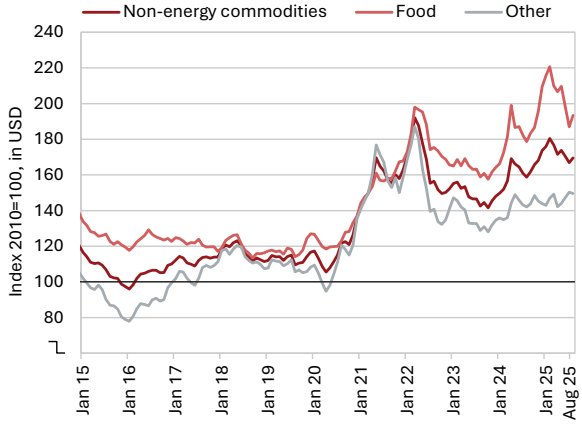
Figure 4: Growth in demand for Slovenian exports will strengthen over the period 2025–2027



Source: Eurostat, IMAD assumption based on sources under Table 1.
Note: *Real imports of trading partners weighted by Slovenia's share of exports to these countries.

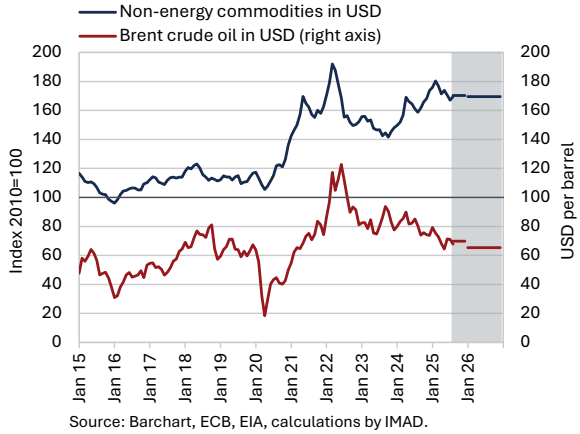
The technical assumption for energy prices and non-energy commodities in the period 2025–2027 is lower than expected in the Spring Forecast. Based on market expectations on futures markets in the period between 1 and 14 August 2025, the technical assumption for the average Brent crude price underlying the forecast for 2025 was USD 69.8 per barrel (13.4% lower than in 2024), followed by a further decline in 2026 and 2027. Taking into account the technical assumption for the EUR/USD exchange rate, euro prices of oil are expected to fall even more than dollar prices. For non-energy commodity prices, growth is projected to moderate to 4.5% in 2025. This reflects developments in the first seven months of the year, when food commodity prices, after a sharp increase at the beginning of the year, declined considerably in recent months. Over the next two years, non-energy commodity prices are expected to decline slightly. The euro appreciated against the US dollar on average in the first seven months of this year; accordingly, a higher USD/EUR exchange rate was assumed than in the Spring Forecast.

Figure 5: Following an increase at the beginning of the year, prices of non-energy commodities have fallen month-on-month in recent months



Source: ECB. Note: Structure of the euro area with regard to commodity consumption.

Figure 6: The technical assumption for oil prices foresees a further decline



Source: Barchart, ECB, EIA, calculations by IMAD.
Note: Gray area indicates the annual average taking into account the assumption of the forecast for 2025 and 2026.

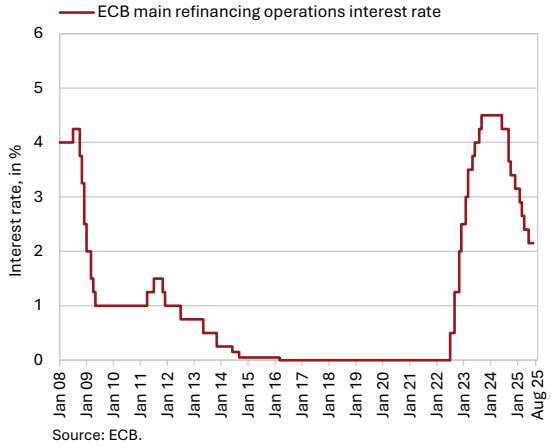
Table 2: Assumptions for oil and non-energy commodity prices and the USD/EUR exchange rate

	2024	2025		2026		2027
		February 2025	**September 2025**	February 2025	**September 2025**	**September 2025**
Brent crude prices, in USD	80.5	75.7	**69.8**	71.1	**65.4**	**65.2**
Brent crude prices, in EUR	74.4	72.7	**62.1**	68.3	**56.3**	**56.2**
Non-energy commodity prices, in USD, growth*	9.0	7.0	**4.5**	-0.5	**-0.5**	**-0.5**
USD/EUR exchange rate	1.082	1.041	**1.127**	1.041	**1.160**	**1.160**

Sources: Barchart (2025), ECB (2025a), EIA (2025); IMAD estimate. Note: The assumptions are based on the futures prices between 1 and 14 August 2025. *The structure of the euro area with regard to commodity consumption.

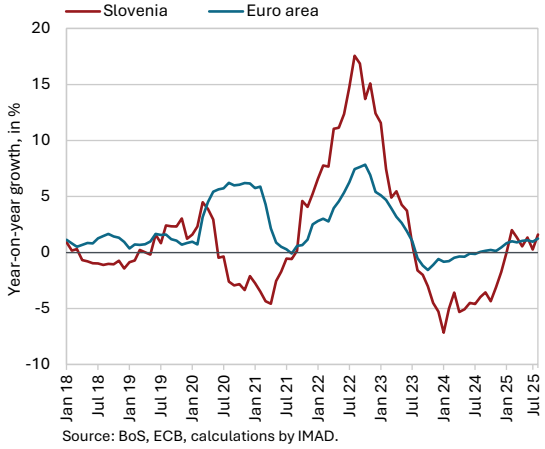
In recent months, inflation in the euro area has stabilised at around 2%, while core inflation (excluding energy and unprocessed food prices) has remained at around 2.4%. The largest contribution to inflation still comes from service prices, whose growth has slowed this year to around 3% (around 4% last year). In the second quarter, the ECB continued its monetary policy easing by lowering interest rates; however, in July, rates were left unchanged for the first time since April 2024. According to the results of the ECB (2025) survey, lending conditions have not eased significantly despite the previous gradual monetary policy loosening, and credit activity remains relatively modest. In July, loans to non-financial corporations increased year-on-year by 1.2% in the euro area and by 1.6% in Slovenia. Meanwhile, the ECB remains committed to normalising its monetary policy also across other segments. The volume of securities under the Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP) has gradually and predictably declined as reinvestment of maturing principal payments has been discontinued.

Figure 7: The ECB's interest rate on the main refinancing operations was 2.15% at the end of August 2025



Source: ECB.

Figure 8: Corporate lending is subdued in both Slovenia and the euro area

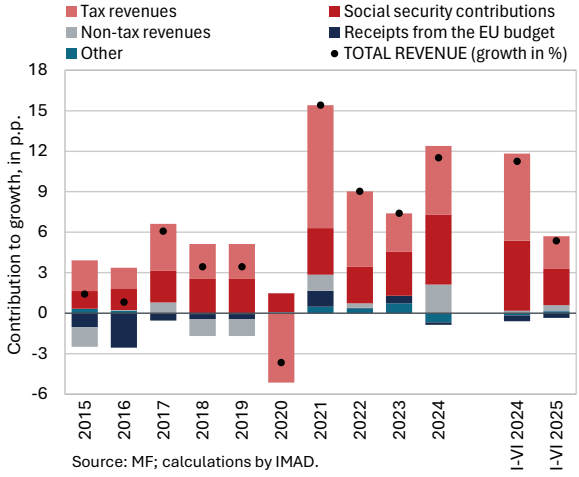


Source: BoS, ECB, calculations by IMAD.

This year, a higher general government deficit is planned in Slovenia than last year, with the fastest growth recorded in expenditure on wages. The consolidated general government deficit[4] totalled EUR 868.3 million in the first half of the year (EUR 272.1 million in the same period last year) and stemmed primarily from the state budget, where a higher deficit than last year (EUR 795.9 million) is also planned at the annual level (EUR 1,866 million). In the first six months, consolidated general government revenues rose by 5.4% year-on-year, less than half the growth recorded a year earlier (11.2%). The strong revenue growth recorded last year was partly due to one-off factors (the introduction of the compulsory healthcare contribution and the non-indexation of personal income tax brackets to inflation). This year, revenue growth was driven mainly by social contributions and, to a somewhat lesser extent, by tax revenues, whose growth slowed due to cyclical factors, lower corporate income tax settlements, and, in the case of personal income tax, this year's indexation of tax brackets and allowances to inflation. Total EU funds received were lower year-on-year, with an increase expected in the second half of the year following the receipt of the fourth tranche under the Recovery and Resilience Plan (RRP). Year-on-year growth in expenditure (9.6%) in the first five months was similar to the same period last year (9.5%). The bulk of the increase stemmed from: wages and other personnel expenditure, which have been affected since January by the public sector wage reform; transfers to individuals and households; and other current transfers and reserve expenditures (related to the earmarking of dedicated resources for individual budgetary funds). Investment expenditure was also somewhat higher than last year. In addition to these investment expenditures, there was also an increase in investments financed through budgetary funds, in particular those related to the implementation of the Recovery and Resilience Plan (RRP) and the Fund for the Reconstruction of Slovenia. At mid-year, the balances of these two funds, as well as of other budgetary funds, remained high, which will enable continued high levels of investment spending in the years to come.

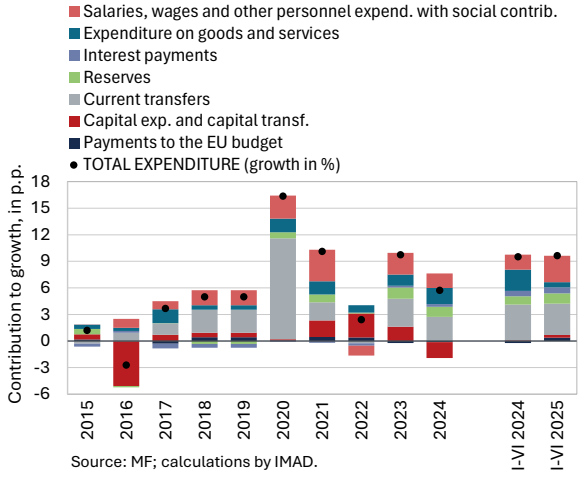
[4] The consolidated general government budget comprises the state budget, municipal budgets, the Health Insurance Institute of Slovenia (ZZZS) and the Pension and Disability Insurance Institute of Slovenia (ZPIZ), based on the cash flow methodology. According to first-quarter data, the general government deficit (broader coverage of units, accrual basis) also increased year-on-year, amounting to 3.4% of GDP. The Annual Progress Report (Government of the Republic of Slovenia, 2025a) projects a deficit of 1.9% of GDP for the full year, compared with 0.9% of GDP in 2024.

Figure 9: The consolidated general government deficit increased this year due to slower revenue growth...



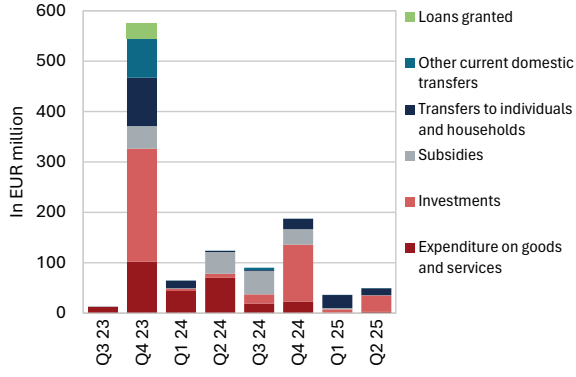
Source: MF; calculations by IMAD.

Figure 10: ...expenditure growth was similar to last year



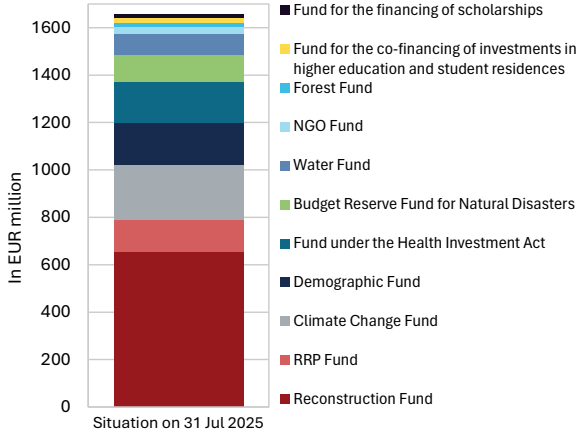
Source: MF; calculations by IMAD.

Figure 11: With the exception of investment, spending on flood recovery was lower at mid-year than last year...



Source: Ministry of Finance, Budgetary Funds.
Note: For 2023 and 2024, general government expenditure excluding funds allocated to reserves, which were redirected to the Fund for the Reconstruction of Slovenia. For 2025, the figures refer to expenditure of the Fund for the Reconstruction of Slovenia.

Figure 12: ...the high level of resources in the Fund for the Reconstruction of Slovenia and in other budgetary funds enables the government to sustain high investment spending going forward



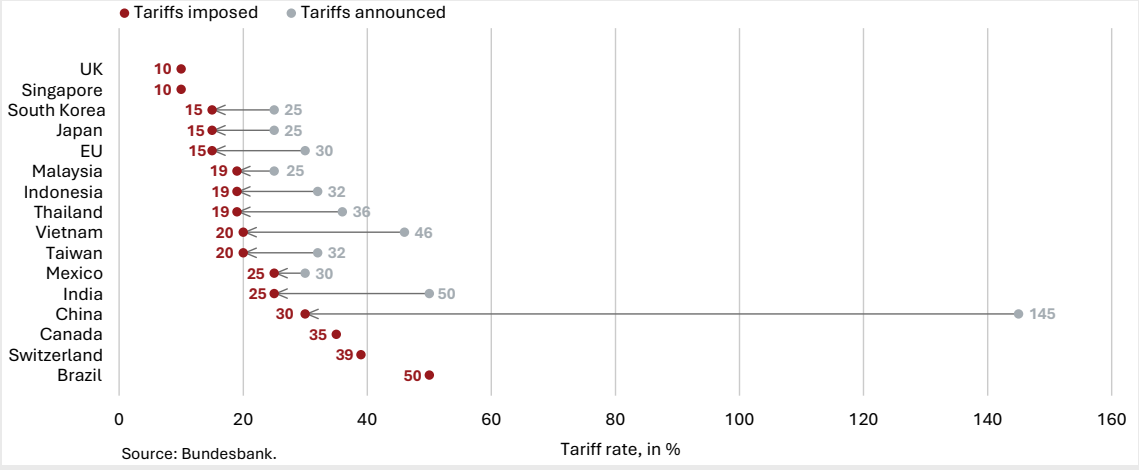
Source: MF, Budget funds.

Box 1

Impact of US tariffs on Slovenian exports

At the beginning of April 2025, the United States announced a substantial increase in tariffs (ranging between 11% and 50%) on most imported goods; however, the tariff rates actually introduced were lower than those initially announced. The introduction of so-called reciprocal tariffs was later postponed for 90 days and temporarily reduced to 10% for most countries and products,[5] followed by bilateral negotiations. The bilateral agreements[6] already concluded between the US and its trading partners envisage significantly higher US import tariffs than at the beginning of the year (mostly ranging between 10% and 20%). Many agreements also provide for easier access to partner country markets for certain US products, along with clauses directed against Chinese products. For countries with which no new agreement has (yet) been reached, the US imposed additional tariffs ranging from 10% to 50%. The overall estimated effective rate of US import tariffs has increased by around 15 p.p. since the beginning of the year, to 17.4%, the highest level since the 1930s.

Figure 13: Announced and implemented US tariffs on major trading partners



Although uncertainty has eased following the agreement between the US and the EU,[7] it remains considerable, while tariff levels for European exporters are markedly higher than in previous years. A 15% tariff rate was agreed on most EU exports to the US, which is a substantial increase compared with the average rate of 1.5% before Trump's second presidency.[8] The tariff rate

[5] The US imposed higher tariffs on steel and aluminium (50%), and on cars and car parts (25%).

[6] These agreements are only preliminary and are not legally binding, and negotiations on the details are still ongoing. Most agreements with major US trading partners were reached by August.

[7] Published on 27 July 2025 (EK, 2025c). On 21 August, the EU and the US issued a joint statement establishing a framework for reciprocal, fair and balanced trade, which reaffirms and expands on the political agreement. Many details still need to be worked out, and a legally binding text has yet to be adopted (EC, 2025d).

[8] The US and the EU agreed to reduce other trade barriers – among other things, they will cooperate more closely in aligning standards and in sanitary and phytosanitary certification, as well as facilitate mutual recognition of product conformity in new industrial sectors. The agreement also includes cooperation in

for cars and car parts will be reduced from the current 27.5%[9] to 15%[10], which is still considerably higher than before the increase (2.5%). Pharmaceutical products will also be subject to a 15% tariff once implemented by the United States,[11] marking a substantial deterioration from their previous duty-free access to the US market.[12] The same applies to semiconductors, which will now be taxed at 15%, whereas they were previously exempt from tariffs. Exemptions, however, will apply to equipment for semiconductor production, as well as to aircrafts and aircraft parts, chemical precursors, generic pharmaceuticals and their ingredients, and unavailable natural resources and critical raw materials.[13] Tariffs on steel and aluminium will remain at 50%,[14] with a quota system put in place that will allow certain volumes to be subject to lower tariffs; both sides will also cooperate in reducing excess global capacities with the aim of exerting pressure on China. Under the agreement, the EU will eliminate tariffs on all US industrial goods and provide preferential market access for a wide range of US fishery and agricultural products.[15] The EU has further committed, under the agreement, to: (i) import more US liquefied natural gas (LNG), oil and nuclear products worth around USD 750 billion by 2028, (ii) purchase at least USD 40 billion worth of US artificial intelligence chips and larger quantities of US military and defence equipment, and (iii) make additional investments in US strategic sectors[16] amounting to USD 600 billion over the next three years.

Goods exports to the United States account for around 3% of EU's GDP. A significant share of these exports consists of pharmaceutical products and high value-added industrial goods, for which short-term demand is not particularly price-sensitive, meaning that much of the tariff burden will be borne by US consumers. According to model-based calculations by the German central bank, tariffs could reduce European economic output by about 0.1% in

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the field of digital trade and the continuation of the moratorium on tariffs in e-commerce. In addition, they will strengthen cooperation on economic security – namely in the areas of foreign investment and export controls, as well as in combating unfair trade practices.

[9] On 3 April 2025, the United States imposed new 25% tariffs on car imports, followed on 3 May by equivalent tariffs on car parts. Prior to these measures, European cars had been subject to a 2.5% tariff, while most car parts were taxed at rates between 2.5% and 3%.

[10] The 15% tariff rate will take effect from the first day of the same month in which the European Union initiates procedures to lower tariffs on US products.

[11] The 15% tariff on pharmaceutical products and semiconductors will only come into effect once the US decides whether to impose additional tariffs on these products. Until then, the tariffs applicable to most-favoured-nation countries in the US will remain in force.

[12] The return of pharmaceutical, semiconductor and steel production is at the core of US efforts. Therefore, these products are subject to separate trade investigations, referred to as Section 232, under which the US restricted imports to protect national security.

[13] These products will be eligible for the special regime as of 1 September 2025, and the list of products is expected to expand further in the future.

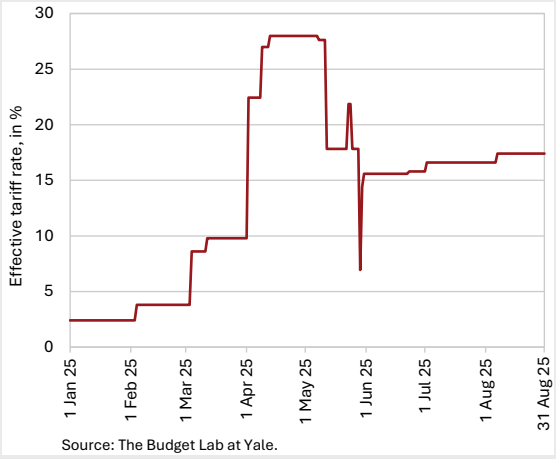
[14] On 12 March 2025, the US imposed a 25% tariff on steel and aluminium imports from all countries under Section 232 of the Trade Expansion Act, thereby eliminating all previously applicable exemptions and quotas. On 4 June, the tariff rate was raised to 50%.

[15] This includes tree nuts, dairy products, fresh and processed fruits and vegetables, processed foods, planting seeds, soybean oil, and pork and bison meat. The EU will take the necessary steps to extend the Joint Statement of the United States and the European Union on a Tariff Agreement announced on 21 August 2020, with respect to lobster (that expired on 31 July 2025), coupled with an expanded product scope to include processed lobster.

[16] In 2024, foreign direct investment in the US amounted to USD 200 billion.

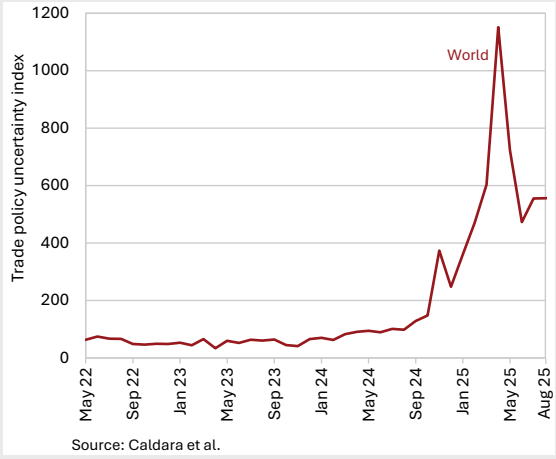
the coming year (Bundesbank, 2025).[17] The Kiel Institute for the World Economy provides a similar estimate, assessing the negative short-term effect of new tariffs on real production in the euro area at -0.11%. In Austria and Germany, production is expected to decline by 0.15% and 0.13%, respectively, while the impact on France and Italy is expected to be minimal (IFW Kiel, 2025).

Figure 14: The effective rate of US import tariffs has increased by about 15 p.p. since the beginning of the year, to 17.4%



Source: The Budget Lab at Yale.

Figure 15: Following the conclusion of trade agreements between the US and several trading partners, uncertainty over trade policies has eased somewhat from historically high levels



Source: Caldara et al.

Slovenia's direct export exposure to the US is relatively small compared with other EU countries. In 2024, Slovenia exported goods worth EUR 923 million to the US,[18] accounting for around 2.1% of its goods exports, a share that has not changed significantly over the past decade. Around 60% of Slovenia's goods exports to the US were concentrated in a few high-technology and specialised sectors and products: machinery and equipment[19] accounted for the largest share of exports last year (42%), followed by various materials, particularly metals (26%),[20] and miscellaneous manufactured articles[21] (20%). In the first half of this year, however, exports to the US declined year-on-year by 4.6% (around EUR 21 million).[22] The decline was mainly driven by lower exports of machinery and equipment (in particular machinery for electricity generation, parts and accessories for office machinery, and vessels). Exports of materials

[17] The most affected country in the EU will be Ireland, which has the largest share of goods exports to the US.

[18] SURS (2025). The foreign trade statistics data are adjusted for the estimate of goods processing. The product-level analysis is based on the SITC classification at the second and third levels.

[19] Parts and equipment for motor vehicles, special-purpose machinery, electrical machinery and apparatus, rotating electric machines and generators, household appliances, and aircraft account for around 55% of exports in this product group.

[20] Iron and steel, aluminium, metals and metal products, various metal products, and glassware account for around 66% of exports in this group.

[21] Medical instruments and devices, industrial measuring and control instruments, and toys and game-related equipment account for around 90% of exports in this group.

[22] Foreign trade data by SURS. In the first half of this year, Slovenia directly exported goods worth EUR 428 million to the US.

were also lower, especially iron, steel, aluminium and certain metal products,[23] largely as a result of the imposition of 50% US tariffs on imports of these products. By contrast, exports of chemical products (pharmaceuticals, plastics, inorganic chemicals) and miscellaneous manufactured articles (medical devices and instruments for measuring and controlling industrial processes) were higher, as these were not affected by the higher tariffs during this period.

The indirect exposure of Slovenian exports to the US market arises primarily from the integration of Slovenian firms into European supply chains, with the automotive and metal industries being the most affected. As a small and highly open economy, Slovenia is particularly embedded in European (especially German) supply chains, which could amplify the impact of US tariffs. OECD (2025a)[24] comparisons indicate that, once indirect trade flows are taken into account, Slovenia's exposure to the US market nearly doubles, with combined direct and indirect exposure amounting to around 2.2% of GDP.[25] This places it among the medium-exposed EU-OECD countries. According to OECD TiVA (2025b), in 2020 approximately 4.2% of the value added embodied in Slovenia's exports[26] was linked to exports to the US, both directly and indirectly (through integration into the production chains of Slovenia's trading partners whose goods were ultimately destined for the US market). When indirect flows are taken into account, the Slovenian activities[27] most exposed are the manufacture of other transport equipment, the manufacture of basic metals and fabricated metal products, and the manufacture of vehicle parts and accessories.

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[23] Thus far in 2025, Slovenia has exported EUR 64 million worth of metals and metal products to the US, around 20% (EUR 15 million) less than in the same period last year. The decline is largely attributable to the imposition of 50% US tariffs on imports of iron, steel, and aluminium. These tariffs remain in place despite the adoption of the EU-US trade agreement.

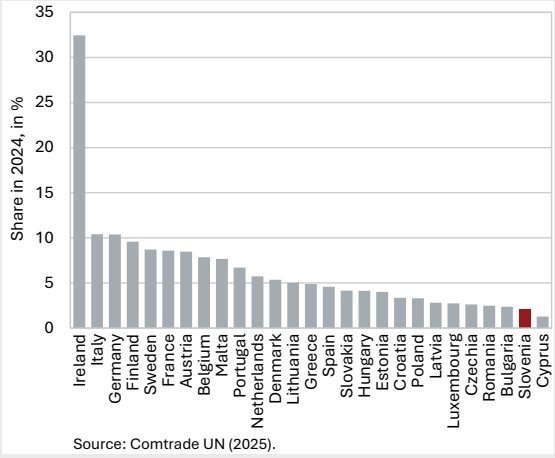
[24] OECD calculations. Data on value added in trade are available up to 2020. For 2023, value-added structure of each country's exports to the United States in 2020 was multiplied by the actual volume of gross exports of each country to the United States. Value added includes non-service activities according to NACE classifications (A–C).

[25] According to OECD calculations, in 2023 value added from direct trade with the United States accounted for approximately 1.2% of GDP, while value added generated through indirect trade (primarily via EU Member States) represented around 1% of GDP.

[26] The value added comprises activities B, C, and D under NACE classification. The indicator shows the share of Slovenian value added generated in production for exports to the United States (OECD TiVA, indicator EXGR_DVApSH).

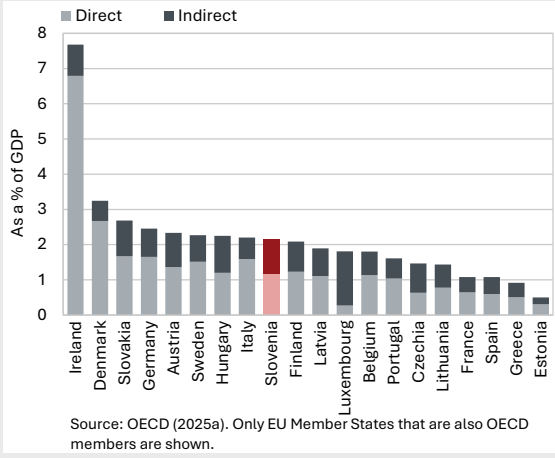
[27] When measured in terms of gross exports, the pharmaceutical industry also ranks among the sectors most exposed. This relatively high share mostly reflects processing trade transactions related to pharmaceutical exports to Switzerland, which, however, have only a limited impact on Slovenia's domestic value added. The Slovenian pharmaceutical sector is primarily exposed through Swiss supply chains, which are not covered by the EU–US agreement on the 15% tariffs.

Figure 16: In 2024, Slovenia's share of goods exports to the United States in total exports was among the lowest in the EU



Source: Comtrade UN (2025).

Figure 17: When indirect goods trade flows are taken into account, Slovenia's export exposure to the United States as a share of GDP nearly doubles; based on 2023 data, this places Slovenia among the medium-exposed EU Member States



Source: OECD (2025a). Only EU Member States that are also OECD members are shown.

Box 2 **Indicators of price and cost competitiveness**

After two years of improvement, price competitiveness indicators deteriorated in mid-2025, with the competitive position being particularly unfavourable as regards industrial producer prices in manufacturing. Both price competitiveness indicators (REER hicp and REER ppi) had been gradually improving after the energy shock (i.e. after 2022), but worsened again in the second quarter of 2025. In addition to the appreciation of the euro (especially against the US dollar and also the Turkish lira), price competitiveness was adversely affected by higher growth in industrial producer prices in manufacturing compared with the average in trading partners (i.e. growth in relative industrial producer prices – PPI). As a result, the REER ppi indicator once again reached historically high levels, indicating a relatively unfavourable price-competitiveness position for Slovenian exporters.

Before the decline in price competitiveness, growth in (nominal) unit labour costs accelerated already the first quarter of 2025, which, combined with the appreciation of the euro, contributed to a more pronounced deterioration in the cost competitiveness indicator (REER ulc). The indicator had already weakened in 2024, although at that time primarily due to developments in the construction sector. In the first quarter of 2025, however, the rise in unit labour costs in manufacturing was also above average (in international comparison) amid declining activity, while in market services the growth of *nominal* unit labour costs (NULC) remained broadly aligned with the EU average. Labour costs (nominal and real) continued to increase in the second quarter of 2025, driven mainly by manufacturing and market services.

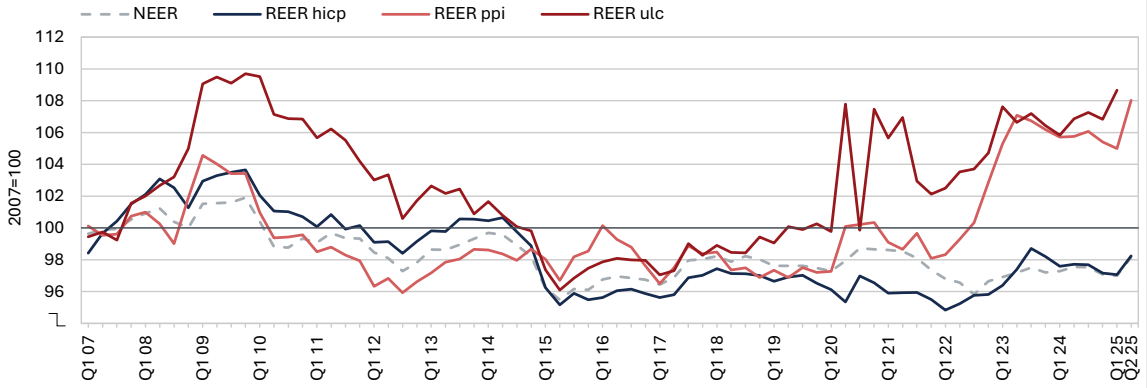
The unit labour costs (ULC) of the Visegrad Group (V4) have increased more sharply in recent years than that in Slovenia, while in the EU they have risen somewhat less (NULC), or at a broadly comparable pace (RULC).[28] Between the onset of the energy crisis (in 2022) and early 2025, unit labour costs in Slovenia rose by less than in the Visegrad Group (V4). Compared with the EU average, the increase in nominal unit labour costs (NULC) was higher in Slovenia, whereas the rise in real unit labour costs was broadly similar. In comparison to the V4, NULC growth in Slovenia was lower in construction, but broadly comparable in manufacturing and market services. Relative to the EU, however, NULC growth was higher in manufacturing and market services, while it was comparable in construction.[29] The dynamics of real unit labour costs

[28] Comparisons of unit labour cost (ULC) growth are based on quarterly national accounts data. For Slovenia, the first annual national accounts estimate for 2024 and the revision of data for the period 2021–2023 were published on 29 August 2025. The quarterly data for Slovenia shown in this publication have not yet been aligned with the annual data; however, the discrepancies between the quarterly and annual data are not large enough to materially affect the conclusions drawn from the comparisons presented here. According to the first annual estimate for 2024, ULC growth in manufacturing and construction was slightly lower than suggested by the quarterly data, somewhat higher in total market services (G–N), and similar in overall ULC growth.

[29] The revised annual data for Slovenia, published on 29 August 2025, which are not yet aligned with the quarterly data, show that NULC growth in construction from 2022 to 2024 was higher than the EU

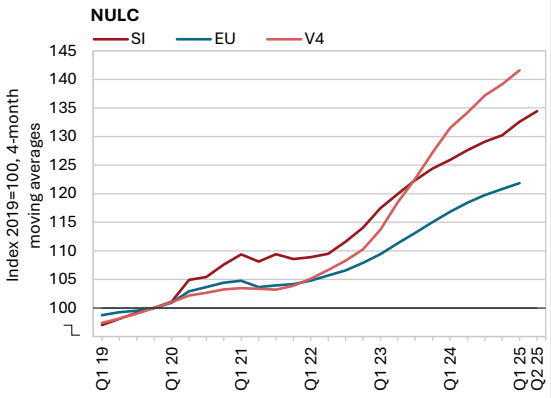
(RULC) – which mirror the movement of profits (per unit of output) – have, since 2022, been broadly aligned with those in the EU and more favourable than in the V4, both for the economy as a whole and for manufacturing.

Figure 18: Deterioration in cost and price competitiveness in early and mid-2025*



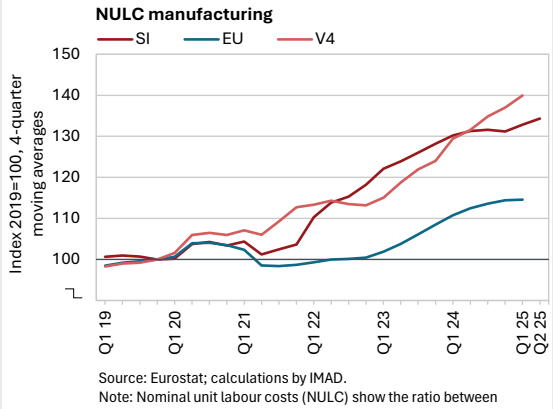
Source: ECB; calculations by IMAD. NEER - nominal effective exchange rate, REER hicp (ppi. ulc) - real effective exchange rate deflated by HICP (PPI, ULC). An increase in the indicator means an appreciation of the euro and/or an increase in relative prices against a basket of 37 trading partners' currencies, weighted according to their importance in Slovenia's trade.

Figure 19: Since 2022, nominal unit labour costs (NULC) have increased more strongly in Slovenia than in the EU, but less than in the V4...*



Source: Eurostat; IMAD calculations. Note: NULC – nominal unit labour costs, defined as ratio of nominal compensation per employee to real productivity. V4 – Czechia, Slovakia, Hungary and Poland.

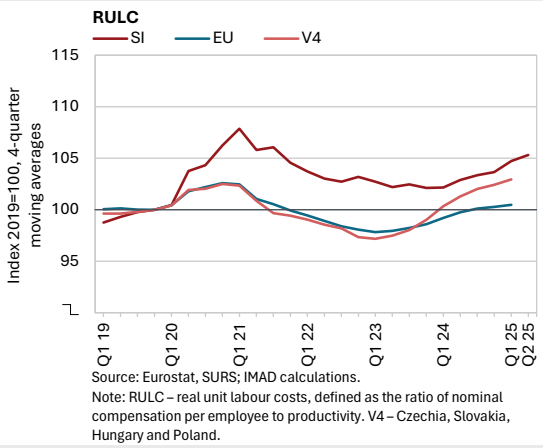
Figure 20: ...in manufacturing, NULC growth has exceeded the EU average and has been broadly comparable to that of the V4*



Source: Eurostat; calculations by IMAD.
Note: Nominal unit labour costs (NULC) show the ratio between nominal compensation of employees per employee and real productivity. V4 – the Czech Republic, Slovakia, Hungary, Poland.

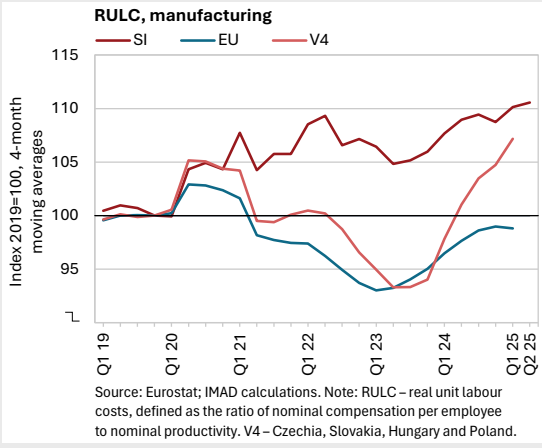
average. The revision for the period 2021–2023 did not significantly change ULC growth figures, except in construction, where the newly revised NULC growth in 2022 was considerably higher, while RULC growth remained unchanged.

Figure 21: Since 2022, developments in real unit labour costs have been broadly in line with those in the EU and more favourable than in the V4, both for the economy as a whole...*



Source: Eurostat, SURS; IMAD calculations.
Note: RULC – real unit labour costs, defined as the ratio of nominal compensation per employee to productivity. V4 – Czechia, Slovakia, Hungary and Poland.

Figure 22: ...and for manufacturing*



Source: Eurostat; IMAD calculations. Note: RULC – real unit labour costs, defined as the ratio of nominal compensation per employee to nominal productivity. V4 – Czechia, Slovakia, Hungary and Poland.

*In 2020, and to a lesser degree in 2021, the growth in compensation per employee was supported by subsidies under anti-COVID measures. Accordingly, in both years the unit labour cost indicator overestimated the actual cost pressures faced by enterprises.

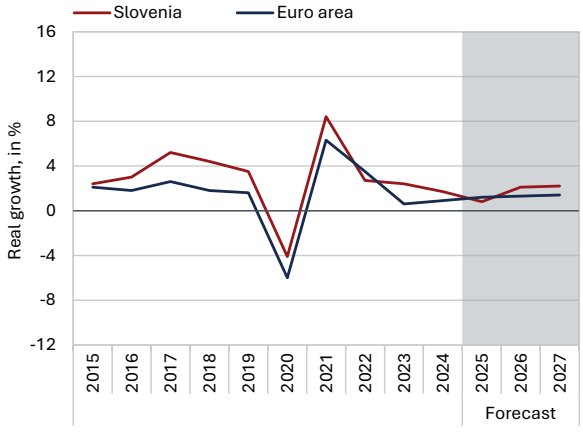
2 Autumn Forecast of Economic Trends in Slovenia

2.1 Gross domestic product

This year, GDP growth will slow to below 1% and will be significantly lower than projected in the spring. The slowdown is primarily driven by weaker export activity, particularly in the first half of the year, reflecting the economy's relatively strong exposure to challenges in European industry. A noticeable recovery is not yet expected in the second half of the year, although conditions have shown some improvement. Following the trade agreements reached by the United States with several major partners, including the EU, trade policy uncertainty has declined somewhat from historically high levels, and some sentiment indicators in the euro area have also begun to improve. Against this backdrop, economic growth in 2025 will be driven mainly by domestic demand, especially household consumption, supported by robust employment and accelerating wage growth. Following last year's stagnation, gross fixed capital formation is projected to expand moderately this year, with an increase in construction investment (excluding residential) and, amid higher capacity utilisation in manufacturing, also investment in production. Government consumption growth is expected to remain more subdued than last year and below the levels envisaged in the spring. In particular, growth in expenditure on social transfers in kind has been more moderate (following last year's introduction of the compulsory health contribution), as has expenditure on goods and services, which was elevated last year partly due to flood-related reconstruction. This year, flood recovery efforts are instead contributing mainly to higher social transfers and capital expenditures, which are supporting the growth of private consumption and investment.

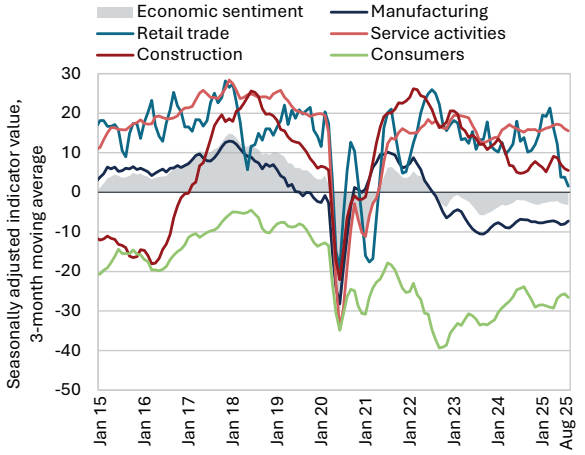
Over the coming two years, annual GDP growth is projected at around 2%. With somewhat stronger growth in foreign demand, we anticipate a recovery in the export-oriented part of the economy over the same period. Growth in investment will also be higher, directed towards capacity expansion in the export sector and construction works, where, in addition to infrastructure investment, we also expect a renewed increase in residential investment**.** Government consumption growth is expected to be volatile, reflecting the phasing-in of new entitlements under the long-term care system.

Figure 23: Economic growth in Slovenia will be lower than in the euro area this year, but higher again next year



Source: Eurostat, IMAD forecast fo Slovenia and IMAD assumption for EA based on sources under Table 1.

Figure 24: Economic sentiment continued to improve in August, but it was still weaker than a year earlier



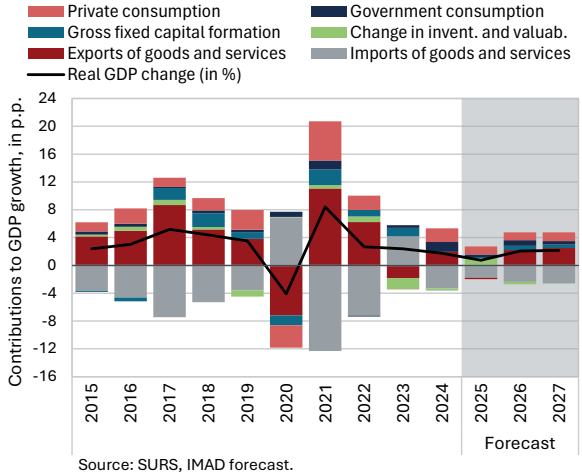
Source: SURS; calculations by IMAD.

Table 3: Economic growth forecasts for 2025–2027

Real growth rates, in %	2024	2025		2026		2027
		February 2025	September 2025	February 2025	September 2025	September 2025
Gross domestic product	1.7	2.1	**0.8**	2.4	**2.1**	**2.2**
Exports	2.3	2.6	**-0.2**	3.4	**2.8**	**3.1**
Imports	4.3	2.7	**2.4**	3.9	**3.1**	**3.4**
External balance of goods and services (contribution to growth in p.p.)	-1.3	0.1	**-2.0**	-0.1	**-0.2**	**-0.1**
Private consumption	3.8	2.2	**2.2**	2.3	**2.2**	**2.4**
Government consumption	7.3	2.7	**1.6**	4.1	**3.8**	**2.3**
Gross fixed capital formation	-0.3	1.0	**0.8**	3.0	**3.0**	**2.5**
Change in inventories and valuables (contribution to growth in p.p.)	-0.2	0.0	**1.0**	0.0	**-0.3**	**0.0**

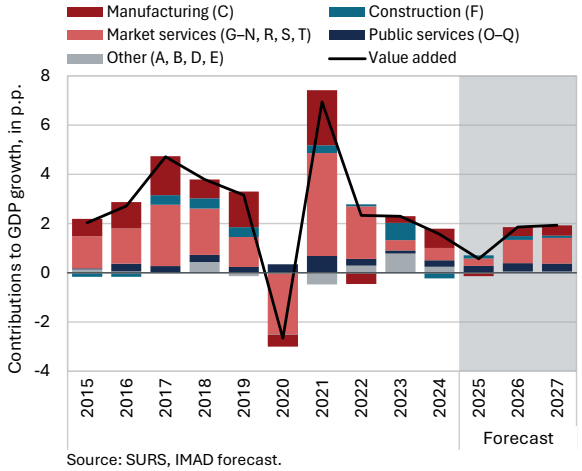
Sources: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.

Figure 25: Contributions of consumption aggregates to GDP growth



Source: SURS, IMAD forecast.

Figure 26: Contributions of value added growth to GDP growth, by activity



Source: SURS, IMAD forecast.

Box 3 **The first annual GDP estimate for 2024 and revision for 2021–2023**

The Statistical Office of the Republic of Slovenia's (SURS) first annual GDP estimate for 2024 based on annual data sources is somewhat higher than the earlier estimate derived from quarterly data. At the end of August 2025, SURS published the first annual GDP estimate for 2024 and national accounts revision for the period 2021–2023. According to the first annual estimate, GDP grew by 1.7% in volume terms last year, which is 0.1 p.p. above the quarterly estimate published in February. GDP growth for 2023 was also revised upward (by 0.3 p.p. compared with the previously published figure). At current prices, GDP in 2024 was EUR 450 million higher, and in 2023 EUR 99 million higher than in the previous estimate.[30] Economic growth rates for 2021 and 2022 remained unchanged, though the revision of data for the entire 2021–2023 period was relatively substantial in some GDP components.

The first annual estimate for 2024 mainly brought revisions to GDP components, which affected the baselines for forecasts of certain aggregates; substantively more important is the revision of growth in private consumption and investment. According to the latest data, private consumption grew by 3.8% last year (previously 1.6%), which – taking into account the abolition of supplementary health insurance (and its transfer to government consumption) – represents one of the highest growth rates in the past 15 years and points to lower household saving rate than previously expected.[31] According to the latest data, gross fixed capital formation contracted by just 0.3% last year (compared with 3.7% in the previously available estimate), indicating a markedly less adverse trend in private sector investment activity in 2024. At the GDP level, the revision was smaller, as the change in inventories was negative.

The revision also significantly altered the data for certain GDP components over the period 2021–2023. On the expenditure side, the largest adjustments were made to private consumption and exports of goods and services in 2021 and 2022. On the production side, real growth rates in several categories were substantially revised. The growth of value added in construction in 2022, initially estimated at 8.3% before the revision, was adjusted downward to only 1.5%. Even more substantial revisions were recorded in specific industrial sectors:

- the previously reported 1% increase in value added in the manufacture of basic metals in 2021 was revised to a 37% contraction,
- the 27% decline in the manufacture of food products in 2022 was revised to a 13% decline,
- and the 9% decrease in the manufacture of rubber and plastic products in 2023 was revised to a 4% increase.

[31] Data on the savings rate are expected to be published at the end of September 2025.

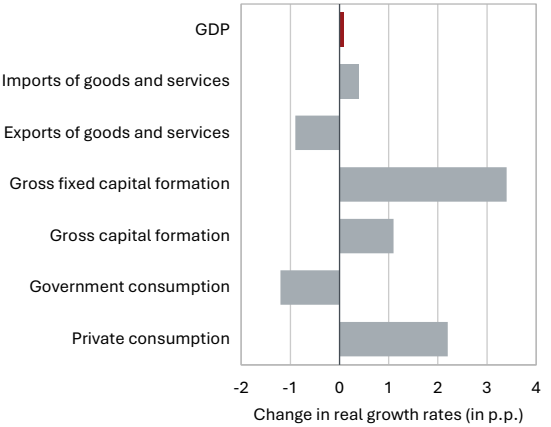
These revisions underscore the challenges of economic monitoring, particularly during periods of major price fluctuations, as experienced a few years ago. At the same time, they highlight how revisions and changes in data sources can significantly reshape the sectoral profile of the economy and influence the interpretation of past behaviour of firms and consumers.

Table 4: Changes in GDP and its main components on the expenditure and production sides according to the 2024 annual estimate

	Release August 2025 – February 2025									
	Differences at current prices, in EUR million				Differences in growth, in p.p.				In EUR million	Real growth, in %
	2021	2022	2023	2024	2021	2022	2023	2024	2024	
Gross domestic product	9.8	-27.2	98.8	450.0	0.0	0.0	0.3	0.1	67,418.1	1.7
Private consumption	172.2	-282.5	-320.6	371.3	0.7	-1.4	-0.2	2.2	34,990.1	3.8
Government consumption	0.4	39.4	8.6	-25.7	0	0.1	-0.3	-1.2	13,745.9	7.3
Gross fixed capital formation	-34.9	32.0	187.4	673.4	-0.4	0.5	1.6	3.4	14,104.8	-0.3
Inventory changes[1]	7.1	48.1	16.3	-322.4	0.0	0.0	-0.1	-0.5	409.2	-0.2
Exports of goods and services	-136.1	164.2	202.1	-49.3	-0.4	0.6	0.1	-0.9	54,553.0	2.3
Imports of goods and services	-1.0	28.4	-4.8	197.5	0	0.1	0	0.4	50,388.6	4.3
Value added	9.8	-25.7	97.7	440.5	0.2	0.0	0.1	0.1	59,694.2	1.8
Other (A,B,D,E)	4.8	-65.2	4	240.1	-2.5	2.2	8.5	5.3	3,600.1	4.6
Public services (O–Q)	0.2	10	49.1	153.2	0.0	-0.2	0.4	0.2	10,041.1	1.8
Market services (G–N,R,S,T)	18.2	31.4	84.1	-83.4	0.0	0.2	-0.4	-0.6	29,020.5	1.2
Construction	1.4	-1.2	-11	-48.8	-1.3	-6.8	-2.2	-2.4	3,975.5	-3.7
Manufacturing	-14.9	-0.8	-28.3	179.3	1.9	1.1	0.0	0.9	13,056.9	4.0

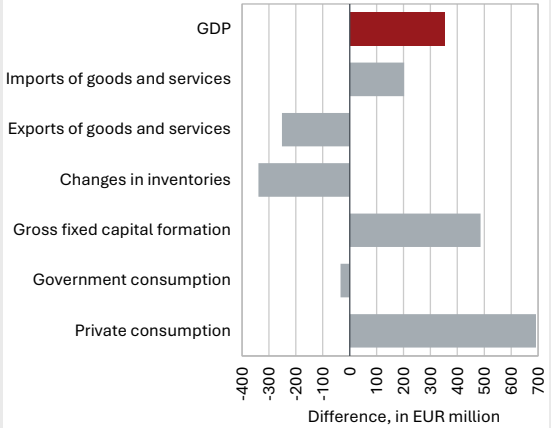
Source: SURS (2025); calculations by IMAD. Note: [1] in the columns, differences in growth and growth rates are shown as contributions in p.p.

Figure 27: Changes of real growth rates for GDP expenditure components after the publication of the first annual estimate for 2024



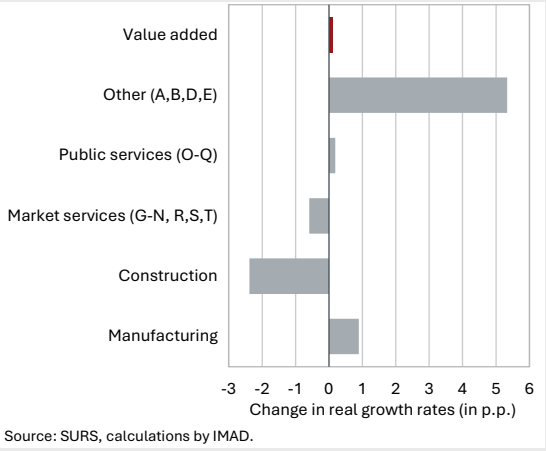
Source: SURS, calculations by IMAD.

Figure 28: Difference in the nominal change of GDP expenditure components in 2024/2023 after the publication of the first annual estimate for 2024*



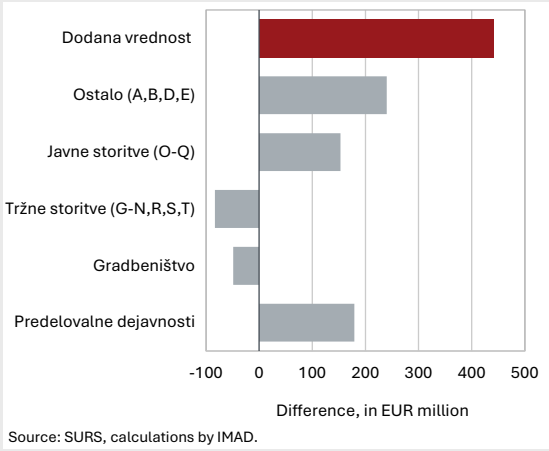
Source: SURS, calculations by IMAD.

Figure 29: Changes of real growth rates for value added components after the publication of the first annual estimate for 2024



Source: SURS, calculations by IMAD.

Figure 30: Difference in the nominal change of value added components in 2024/2023 after the publication of the first annual estimate for 2024*



Source: SURS, calculations by IMAD.

* [GDP in 2024 (published at the end of August 2025) – GDP in 2023 (published at the end of August 2025)] – [GDP in 2024 (published in February 2025) – GDP in 2023 (published in February 2025)]

2.1.1 Export-oriented part of the economy

After relatively strong growth last year, exports in the first half of this year remained largely unchanged year-on-year. Last year, total exports increased by 2.3%, mainly on account of strong growth in the first half of the year; for the year as a whole, growth significantly outpaced foreign demand (by 1.5 p.p.). In the fourth quarter of last year, exports declined noticeably in current terms, largely due to difficulties in industrial production in some key Slovenian trading partners, particularly in the automotive industry. Unfavourable developments continued in the first and second quarters of this year. In the first half of the year, total exports thus remained at a similar level as a year earlier and were significantly below the spring forecasts. Goods exports were down 0.6% year-on-year, with the decline largely driven by lower exports of intermediate products, particularly metals and metal products. We estimate that this was influenced by a marked decline in industrial production in Germany, Austria and Italy, which was greater than the EU average, with Slovenia, as a supplier of intermediate products, being more exposed to these difficulties than some other countries. Exports of road vehicles and certain other machinery and equipment (e.g. construction machinery, lifts, cranes) also decreased significantly, while exports of pharmaceutical products continued to increase.[32] The decline in exports in the first quarter also contributed to a year-on-year decrease in the market share of goods in the EU market, which had otherwise recovered significantly last year, reaching its highest levels since 2019. Service exports increased in the first half of the year (2.5%), mainly on account of growth in exports of other business services, ICT services, and tourism-related services. Exports of transport services was similar to that in the same period last year.

[32] Adjusted for the estimate of processing transactions.

Value added in manufacturing declined by 1.7% year-on-year in the first half of 2025, while output, which has been decreasing month-on-month since the beginning of the year, fell by 1.3%. The steepest decline was recorded in the manufacture of motor vehicles, (semi)trailers and other transport equipment (alongside the manufacture of leather, a smaller manufacturing segment), which, together with the metal industry,[33] contributed most to the year-on-year contraction in output. Output was higher in the pharmaceutical industry (according to IMAD's estimates). It also increased in some less technology-intensive industries (manufacture of rubber, wood products, other manufacturing, and repair and installation of machinery and equipment), as well as in some energy-intensive industries (manufacture of chemicals, and, after a steep decline in 2024, in the manufacture of other non-metallic mineral products).

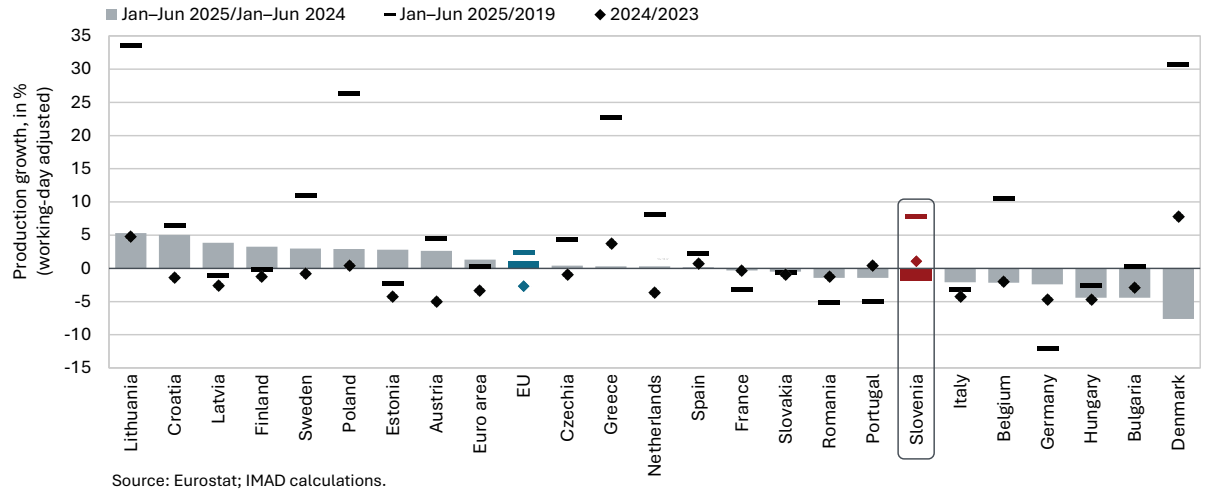
The decline in manufacturing output in the first half of 2025 followed relatively strong growth in the previous two years. In the first half of 2025, manufacturing output in Slovenia thus exceeded the 2019 level by more than the EU average (most of Slovenia's main trading partners in the euro area are still lagging behind this level). In this period, manufacturing output developments in Slovenia and the EU were strongly negatively affected by the COVID-19 pandemic in 2020 and the related supply chain disruptions, and later by the energy crisis following Russia's aggression against Ukraine (2022), which had the most severe impact on energy-intensive industries. The recovery of manufacturing output in the EU was on average very gradual and slower than in Slovenia over the period as a whole. In the first half of 2025, however, manufacturing output in the EU on average increased, unlike in Slovenia. In IMAD's assessment, this was mainly due to a larger year-on-year decline in medium-high- and medium-low-technology industries in Slovenia, in particular the manufacture of motor vehicles (C29, whose share in manufacturing is, in IMAD's assessment, smaller than in the EU[34]) and the metal industry (C24–25[35], which has a larger share in Slovenia than in the EU).

[33] By share, in addition to pharmaceutical industry, this is the largest industry within manufacturing.

[34] In 2022 (the latest year with comparable EU data), the manufacture of motor vehicles, trailers and semi-trailers generated 6.2% of the value added of manufacturing activities in Slovenia (6.8% in 2024). In the EU, its share is higher: in 2022 it generated around one-tenth of manufacturing value added (Nenadič Senica et al., 2025).

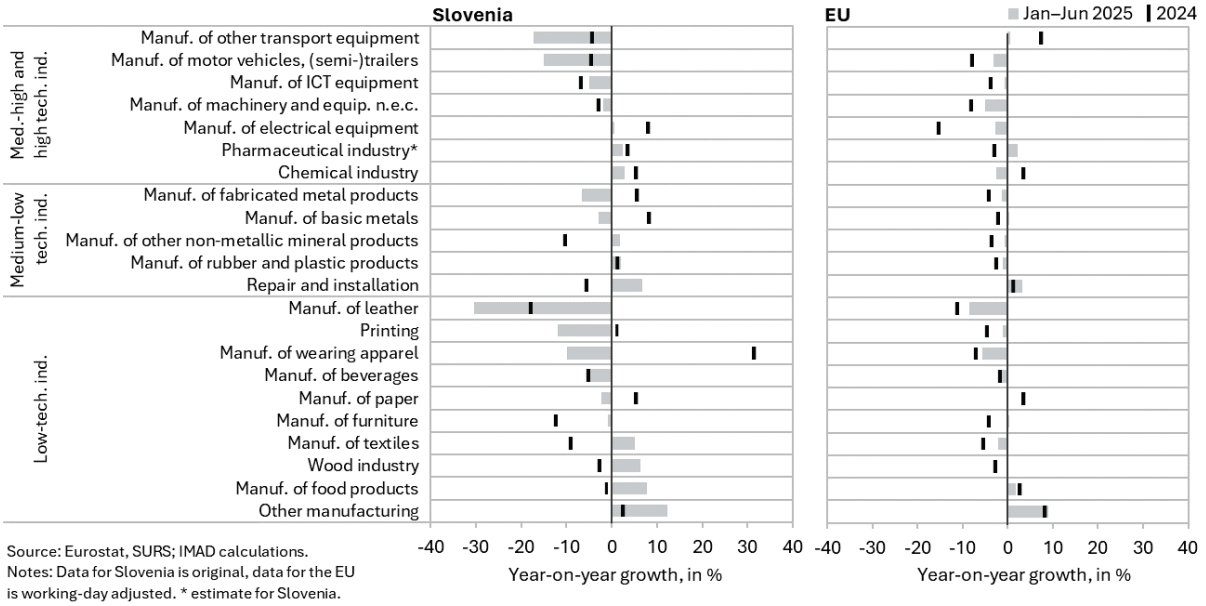
[35] One quarter of the value added in the metal industry is generated by the manufacture of basic metals (C24), the remainder by the manufacture of fabricated metal products (C25).

Figure 31: After growth in 2024, manufacturing output in Slovenia declined, but remained higher than before 2019 (i.e. before the onset of negative shocks) ...



Source: Eurostat; IMAD calculations.

Figure 32: ...the decline was larger than in the EU particularly in the manufacture of motor vehicles, trailers and semi-trailers, as well as in the metal industry



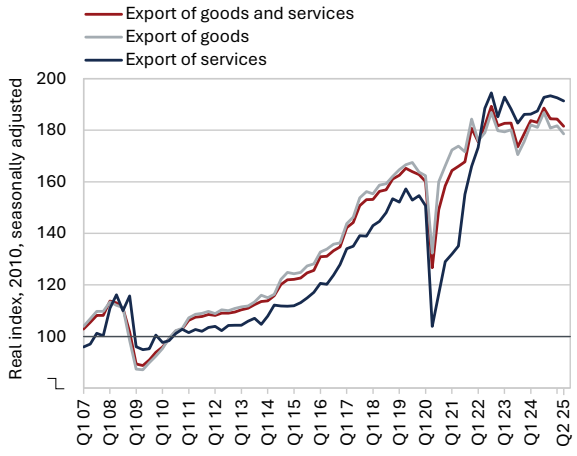
Source: Eurostat, SURS; IMAD calculations.
Notes: Data for Slovenia is original, data for the EU is working-day adjusted. * estimate for Slovenia.

For 2025 as a whole, exports are projected to decline slightly compared with last year (–0.2%). In the second half of the year, export conditions are not expected to deteriorate further, but neither is a marked recovery anticipated, particularly in goods exports. The export orders indicator for the manufacturing sector remained at a very low level in the third quarter. However, in recent months, some sentiment indicators in Slovenia and its main trading partners (e.g. the PMI) have improved somewhat, while the EU–US tariff agreement has helped to reduce uncertainty in the international environment compared with the situation in the spring. Owing mainly to the decline recorded in the first half of the year, total exports of goods and services in 2025 will decrease slightly (–0.2%), reflecting a decline in goods exports (–1.0%), while service exports will increase by 2.3%. Export growth will thus

lag behind the growth of foreign demand. In our assessment, this is attributable not only to the export structure and exposure to disruptions in industrial production in some of Slovenia's key trading partners, but also to cost pressures, primarily stemming from rising labour costs.

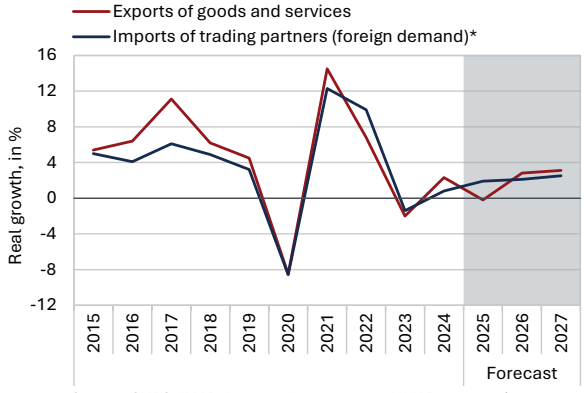
Manufacturing value added is projected to decline this year (–0.7%). In the second half of the year, only very modest current growth in manufacturing value added (seasonally adjusted) is anticipated, resulting in an average annual decrease of 0.7%. Despite somewhat more favourable sentiment indicators in the euro area, manufacturing output (according to business tendency data) will in the coming months continue to be held back by uncertain economic conditions, weak domestic and external demand, and persistent shortages of (skilled) labour.[36] Firms therefore remain cautious in their outlook. In August, the indicator of expected production remained low, while the indicator of total orders was slightly lower year-on-year and well below its long-term average.

Figure 33: Exports of goods and services declined in real terms in the past two quarters



Source: SURS, calculations by IMAD.

Figure 34: With somewhat stronger growth in foreign demand, exports are expected to recover over the next two years



Source: SURS, IMAD forecast for exports and IMAD assumption for foreign demand based on sources under Table 1.
Note: *Real imports of goods and services of the trading partners weighted by Slovenia's share of exports to these countries.

With somewhat stronger growth in foreign demand over the next two years, exports are expected to recover (2.8% in 2026 and 3.1% in 2027). In the next two years, growth in goods exports (2.3% in 2026 and 2.7% in 2027) will be driven primarily by high- and medium-high-technology products, supported in 2026 in particular by the completion of investment in a new pharmaceutical plant and the start of production of a new passenger car model. With the projected recovery of production in the EU, exports of intermediate goods – which account for more than half of Slovenia's goods exports – will also gradually increase. We also anticipate further growth in service exports, with transport services expected to make a

[36] Employment in manufacturing is also declining. The number of persons in employment in manufacturing, which according to the Statistical Register of Employment (SRDAP) already declined in 2023 and 2024 (by 1.0% and 1.3% respectively), fell year-on-year by a further 1.9% in the first half of 2025. Employment decreased in almost all manufacturing industries, with the exception of the food industry (C10–11), the pharmaceutical industry (both less closely linked to the economic cycle), and the manufacture of rubber and plastic products.

renewed and substantial contribution as international conditions improve. In the years until the end of the forecast horizon, export growth is projected to again outpace foreign demand slightly, supported also by the higher number of working days in 2026 and 2027. Firms will continue to face cost pressures, although these are expected to ease gradually by the end of the forecast horizon.

Higher foreign demand will also support growth in manufacturing value added in 2026 and 2027 (1.9% and 2.2%).[37] In both years, we expect growth in the high-technology pharmaceutical industry, supported by investments in production expansion. Given the structural challenges in the (European and global) automotive industry and the anticipated subdued demand for cars and motorhomes, the overall manufacturing of motor vehicles, trailers and semi-trailers is not expected to make a significant positive contribution to the value added growth in manufacturing in 2026. The launch of production of a new passenger car model will have a positive impact; however, due to structural changes in the Slovenian automotive industry in recent years (see Nanadič Senica et al., 2025), this impact will be more limited than in the case of previous model introductions.[38] According to the latest forecasts of international institutions, the output of trading partners, which mostly declined in 2025, will strengthen in 2026. This will have a positive effect on the production of intermediate goods, which are produced mainly by medium-low-technology industries (excluding repair and installation of machinery and equipment), some low-technology industries (particularly the wood and paper industries), and the more technology-intensive chemical industry[39]. The metal industry will continue to be adversely affected by the increase in US tariffs on certain metals and metal products (including steel and aluminium).

2.1.2 Investment activity

After stagnating last year, weak growth in gross fixed capital formation is expected this year (0.8%). Gross fixed capital formation declined in the first half of the year, mainly due to a contraction in construction investment in the first quarter. Residential investment also contributed to the decline, having decreased for the sixth consecutive quarter. Construction activity remains at a relatively high level, having strengthened considerably after 2020. Following last year's decline, it fluctuated sharply at the beginning of this year: according to national accounts data (seasonally adjusted), value added in construction fell by 3.7% in the first quarter, but rose by 5.1% in the second.[40] A key factor behind this year's volatility was civil engineering construction, which dropped sharply in the first quarter (by 11%) and then rose in the second (by 5%), but still remained below last year's level.

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[37] In 2026, the number of working days will also be higher, with three more than in 2025.

[38] The company that was once the largest and most important producer of motor vehicles, trailers, and semi-trailers (C29) has, through a contraction of production and employment, reduced its share in the value added (and employment) of manufacturing activities and C29. Growth in C29 is now being driven more by producers of motorhomes and trailers (which have significantly increased production and sales in recent years), as well as by certain suppliers to the automotive industry.

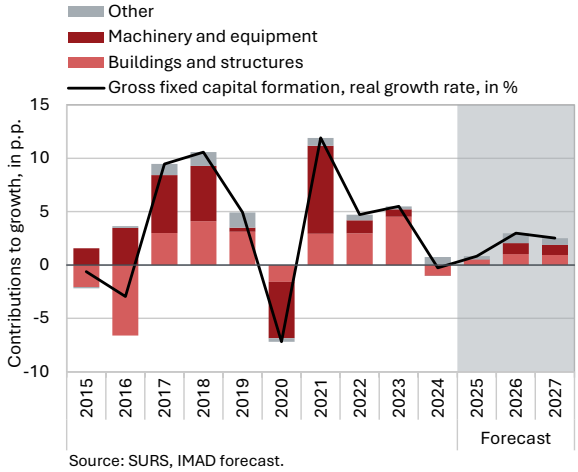
[39] Another positive contribution will come from the technologically intensive segment of ICT equipment manufacturing.

[40] The downturn in the first quarter was related to lower activity in civil engineering, and the upturn in the second quarter was also linked to developments in this segment. In both quarters, however, non-residential building construction increased.

The picture is more favourable in non-residential building construction, where activity has been strengthening this year. Investment in equipment increased in real terms in the first half of the year, but remained lower than a year earlier; high uncertainty in the international environment is not conducive to corporate investment activity. In the second half of the year, overall investment is projected to increase, similarly to the second quarter. Capacity utilisation in manufacturing[41] has strengthened somewhat this year, which is having a positive effect on investment activity in this part of the economy. In construction investment, favourable activity in non-residential building construction is expected to continue; the total floor area of non-residential buildings for which building permits were issued last year was 18% higher than a year earlier. Growth in civil engineering is also expected, with favourable annual growth in the second half of the year also influenced by the low base in the third quarter of last year (base effect). Reconstruction efforts following the floods are progressing, and investment is expected to benefit additionally from the use of funds under the Recovery and Resilience Facility.[42]

For the next two years, we project stronger investment growth (3.0% in 2026 and 2.5% in 2027). With the recovery of global economic activity and the renewed expansion of exports, further growth in investment in export-oriented activities is expected (in manufacturing, as well as in certain services such as transport). With interest rates remaining low and a housing shortage persisting, residential investment is also expected to grow again. According to government plans, public investment activity is expected to remain elevated in 2026, driven both by flood protection projects and by investments financed through the Recovery and Resilience Plan.

Figure 35: After stagnating last year, weak growth in gross fixed capital formation is expected this year



Source: SURS, IMAD forecast.

[41] At the beginning of the third quarter, capacity utilisation in manufacturing was below its long-term average; however, it has improved over the course of this year and by early Q3 reached its highest level in the past two years.

[42] Information on the implementation of the Recovery and Resilience Plan, August 2025. Expenditure is expected to increase by more than EUR 600 million this year (Government of the Republic of Slovenia, 2025b).

2.1.3 Final household and government consumption

Private consumption is expected to grow by 2.2% this year. After a modest increase of 0.4% in the first quarter, year-on-year growth in private consumption accelerated to 3.6% in the second quarter.[43] In the first half of the year, household spending on tourism services both abroad and in Slovenia[44], as well as on non-food and food products[45] increased year-on-year, while sales of new passenger cars to individuals declined year-on-year.[46] Growth in private consumption, expected to continue in the second half of the year, is supported by relatively high employment levels and accelerated wage growth. However, it is constrained by somewhat stronger price pressures (particularly in food prices), a decline in consumer optimism (at the beginning of the third quarter),[47] and households' high propensity to save. According to IMAD's estimate, the propensity to save will remain relatively high on average this year, exceeding the pre-pandemic level (12.0% in the period 2009–2019). Stronger household spending will have a favourable impact on the otherwise relatively modest value added growth in tourism- and leisure-related services (accommodation and food service activities, cultural, recreational, personal, and sports services), supported by continued growth in foreign tourist arrivals, with overnight stays rising further in the first seven months of this year following last year's record high. After strong growth in 2024, value added in trade is also projected to increase only modestly this year.

Private consumption growth will remain similar in the next two years as this year. With further real income growth, private consumption is projected to increase by 2.2% in 2026 and by 2.4% in 2027. Growth will be supported by sustained wage increases and the gradual easing of price pressures, which will strengthen household purchasing power. The saving rate is assumed to decline somewhat in the next two years, though it will remain above its long-term average. Stronger consumption will be reflected in higher turnover in retail trade, accommodation and food service activities, and in cultural, recreational, personal and sports services.

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[43] The differing dynamics in the first and second quarters were also influenced by February being one day shorter than last year, the timing of the Easter holidays and related purchases (occurring in March last year and in April this year), and exceptionally favourable weather conditions in June.

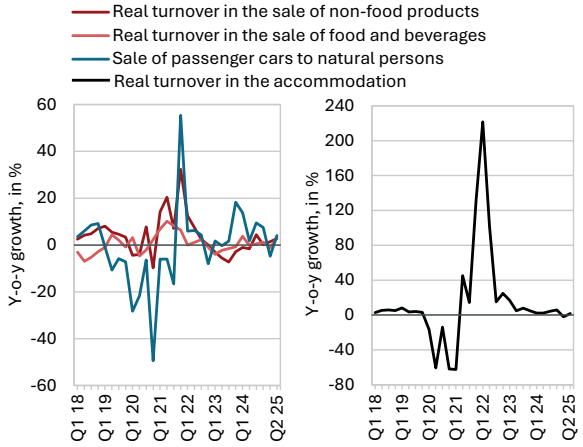
[44] The number of overnight stays by domestic tourists in Slovenia was up 1.4% year-on-year in the first half of the year, while spending on tourism services outside Slovenia was up 10.7% in nominal terms.

[45] Turnover from the sale of food, beverages and tobacco products was, in real terms, 1.1% higher year-on-year in the first half of the year, while household final consumption expenditure on non-durable goods, according to the national concept, was, in real terms, 0.3% lower year-on-year.

[46] In the first half of the year, private consumption increased by 2.1%.

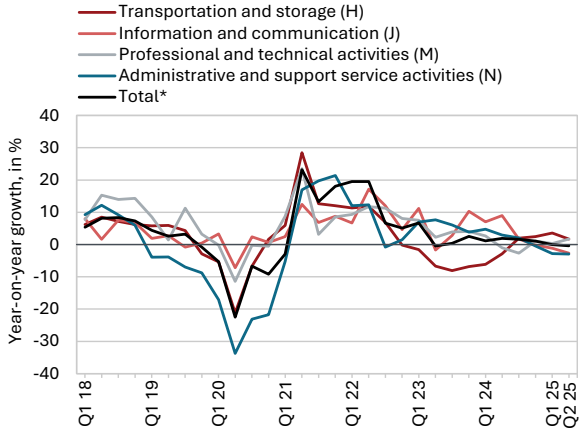
[47] After an improvement in the second quarter, the consumer confidence indicator declined on average in July and August. All four sub-indicators deteriorated: the financial situation of households over the past 12 months, expectations regarding the financial situation of households, the economic situation, and major purchases in the next 12 months.

Figure 36: In the first half of the year, households increased their year-on-year spending on food, non-food products, and overnight stays in Slovenia, while reducing their expenditure on new passenger cars



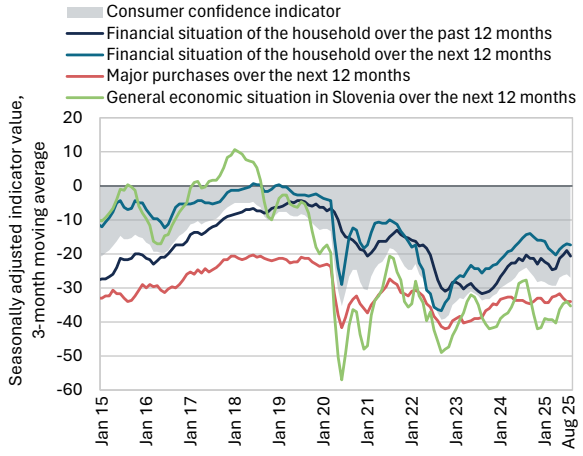
Source: SURS, calculations by IMAD.

Figure 37: Total real turnover in market services was lower year-on-year in the first half of the year



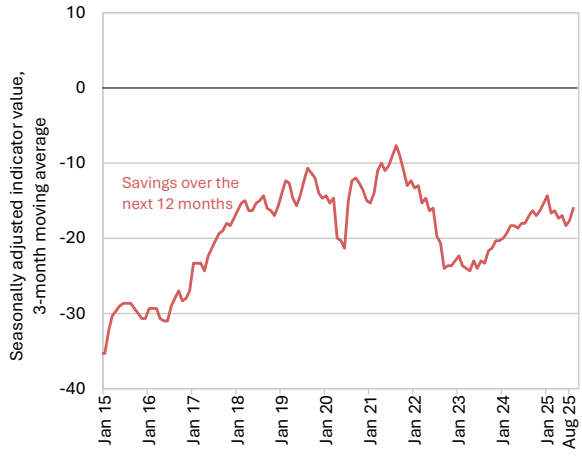
Source: SURS, calculations by IMAD. Note: * Including accomodation and food service activities (I) and real estate activities (L).

Figure 38: Consumer sentiment deteriorated at the beginning of the third quarter...



Source: SURS, calculations by IMAD.

Figure 39: ...while expectations regarding future savings remained high



Source: SURS, calculations by IMAD.

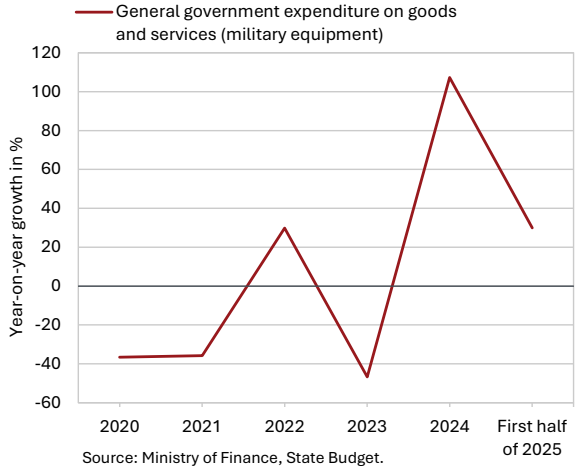
Government consumption growth (1.6%) is expected to be more moderate than last year[48] and also lower than projected in the Spring Forecast. Government consumption growth moderated in the first half of 2025 (0.8%). This reflected the methodological impact of the transformation of complementary health insurance, which had boosted government consumption growth in 2024 (7.3% for the year as a whole) in the category of social transfers in kind (expenditure on medicines and health services) and in healthcare-related goods and services. Growth in these segments has been more moderate this year. Expenditure on goods and services was bolstered last year by post-flood reconstruction (current maintenance of buildings). This year, the scope of maintenance works related to

[48] The deceleration in real government consumption growth in 2025 compared with 2024 will be more pronounced than that of nominal growth. This reflects stronger public sector wage growth, driven by the initial implementation of the wage reform, which affects only the nominal increase of this aggregate.

the 2023 floods (works classified as government consumption) is smaller, while purchases of military materials and equipment continue to increase. Most expenditures related to post-flood reconstruction in the first half of the year was allocated to transfers to households for replacement construction and to the reconstruction of road and rail infrastructure. Both types of expenditure affect economic activity through other aggregates (private consumption and investment). In the second half of the year, however, the first effects are expected from new entitlements under the Long-Term Care Act (ZDOsk, 2023), introduced in mid-2025 (e-care, home-based care, services to support and preserve independence),[49] as well as from institutional long-term care services for people requiring assistance with activities of daily living (effective from 1 December 2025).

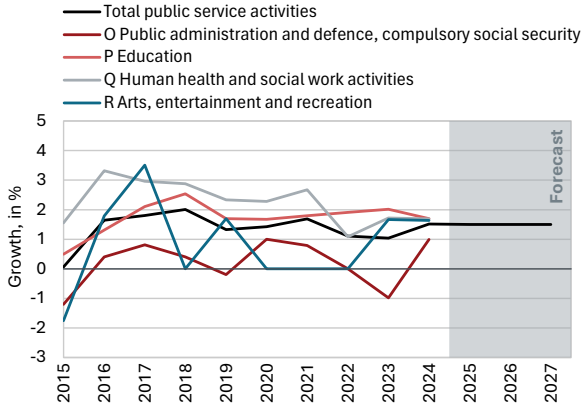
In 2026 and 2027, fluctuations in government consumption growth will be influenced by the introduction of new entitlements under the long-term care system. In 2026, the full implementation of the Long-Term Care Act is projected to slightly strengthen government consumption growth (3.8%), primarily reflecting the year-round provision of long-term care in institutional settings.[50] The effects will also depend on the availability of staff for home-based long-term care services, where employment growth could exceed current expectations included in the forecast. In 2027, however, government consumption growth is expected to moderate again (2.3%). Average employment growth in the general government sector in 2026 and 2027 is projected at around 1.5%, broadly in line with this year, and will mainly stem from healthcare, social care, and education.

Figure 40: Purchases of military materials (within government consumption) continue to increase this year



Source: Ministry of Finance, State Budget.

Figure 41: Employment growth in the general government sector will remain relatively high in the coming years



Source: SURS. Note: Employees in the general government sector by activity. Other activities, which account for only a minor share of general government employment, are not shown in the figure.

[49] The new services will be financed through the newly introduced long-term care contribution.

[50] The entitlement will take effect on 1 December 2025, while the main financial implications will materialise in 2026, altering the financing structure of residential care homes in that year. A possible reclassification of these institutions into the general government sector has not been incorporated into the forecast.

Box 4 **Macroeconomic impact of higher defence spending in Slovenia**

In response to the evolving security environment in Europe and globally, EU Member States are planning a significant increase in defence spending. In March 2025, the European Commission presented the *White Paper for European Defence – Readiness 2030,*[51] which sets out key measures to enhance the EU's defence capabilities by 2030 and envisages the mobilisation of up to EUR 800 billion in national and European funds (EC, 2025e). In response to the changed international security environment, on 12 June 2025, the National Assembly of the Republic of Slovenia adopted the *Resolution on the overall long-term programme for the development and equipping of the Slovenian Armed Forces until 2040* (2025). The resolution proposes an increase[52] in defence and security policy expenditure to 2% of GDP by the end of 2025 and to 3% of GDP by 2030.[53] It further stipulates that at least 20% of annual allocations be earmarked for investment in major equipment, such as weapons, vehicles, and systems, and at least 2% for research, development, and innovation.

The macroeconomic effects of higher defence spending depend on several factors; in addition to the level and pace of growth, the expenditure structure is of key importance. Certain categories of expenditure, such as investment in infrastructure and R&D, typically generate a stronger effect on economic activity than current government consumption (e.g. compensation of employees and intermediate consumption). Another key factor is the location of defence equipment production, particularly the degree of import dependence. In this respect, Slovenia remains highly reliant on imports given its limited domestic production capacity. Conversely, domestic industry could benefit indirectly through higher demand arising from increased defence

[51] The plan places particular emphasis on the establishment of a European Defence Union, addressing existing capability gaps, supporting the European defence industry, and increasing overall defence investment. In June 2025, the European Commission presented the *Defence Readiness Omnibus*, a legislative package designed to streamline rules and procedures governing defence investment. The package envisages measures to accelerate the development of defence capabilities and infrastructure in the Member States and to strengthen the European defence industry, with the objective of achieving the targeted level of preparedness by 2030 (EC, 2025a).

[52] The transition to higher defence spending will also be supported by the flexibility provided under the revised EU fiscal framework. In April 2025, Slovenia, together with eleven other Member States, requested the activation of the national escape clause. Consequently, in the period 2025–2028, Slovenia will be allowed to temporarily exceed the maximum permissible growth rates of net expenditure under its medium-term fiscal-structural plan. This derogation allows for additional defence-related current spending and investment (as classified under COFOG) of up to 1.5% of GDP annually relative to the 2021 base year.

[53] As reported by NATO. Defence expenditure is monitored using two main classifications: NATO and COFOG, which differ both in their definitions and methodological approaches. NATO data are compiled on a cash-flow basis, whereas COFOG (and national accounts) data are recorded on an accrual basis. In practice, this implies that advance payments for military equipment are immediately reflected in NATO data at the time of order, while under COFOG the same expenditure is recorded only upon delivery, which may occur several years later. The two classifications also diverge in terms of expenditure coverage. NATO data, for example, include pension-related expenditure, which systematically leads to higher reported values compared with COFOG in certain countries. For Slovenia, defence expenditure measured under COFOG was, on average, 0.1 p.p. of GDP lower than under NATO over the period 2007–2023.

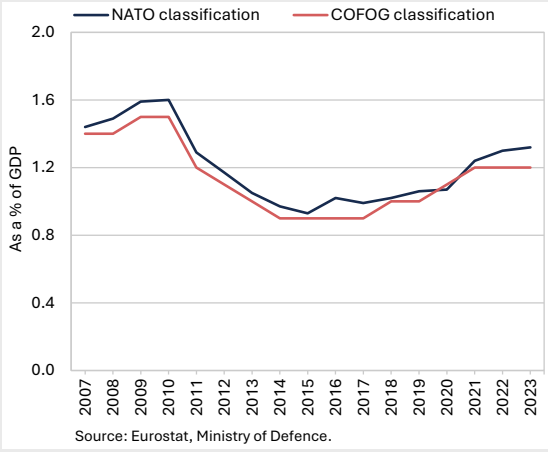
spending by Slovenia's trading partners. Empirical findings on the multiplier effect are mixed. The available studies aligning with the Keynesian view argue that military expenditure stimulates aggregate demand, creating jobs and driving investment, particularly during economic downturns (Barro, 1990). In contrast, the neoclassical approach highlights long-term crowding-out effects as higher defence expenditure can reduce private investment and increase fiscal deficits (Deger and Smith, 1983; Barro and Sala-i-Martin, 1992). Some papers report relatively high multipliers particularly in the US (Atesoglu and Mueller, 1990; Ando, 2018), while others find negligible or negative effects, especially in Europe (Dunne and Nikolaidou, 2012; Kollias and Paleologou, 2016).

The macroeconomic impact of higher defence spending for Slovenia is analysed below using simulations based on the EC model (EC, 2025b). To assess these effects, the Slovenian version of the European Commission's QUEST III R&D model was used.[54] The simulation assumes a gradual increase in defence spending to 3% of GDP by 2030 – reaching 2% of GDP in 2025, followed by a linear rise to the target level, which is then maintained beyond 2030. Two simulation variants are considered, modelling the increase in defence expenditure as additional government consumption. The first assumes a 30%[55] import share of defence spending, while the second assumes an import share of 1.6%, corresponding to the model's assumption for all other government consumption. Given Slovenia's limited domestic defence industry, the latter scenario should be interpreted solely as the theoretical upper bound of the effect.

Model estimates, which focus only on selected channels under simplified assumptions,[56] suggest that with a 30% import share, Slovenian GDP in 2030 could be about 0.3% above the baseline. It should be noted that the simulations account only for current government consumption and do not incorporate productive investment. Defence spending on productive investment (e.g., R&D and dual-use infrastructure investment) would further strengthen the positive effect by boosting private-sector productivity and thereby supporting long-term growth and competitiveness of the economy. Given Slovenia's strong integration into international trade, the positive impact on the domestic economy could be further reinforced by a concurrent increase in defence spending across other EU Member States.

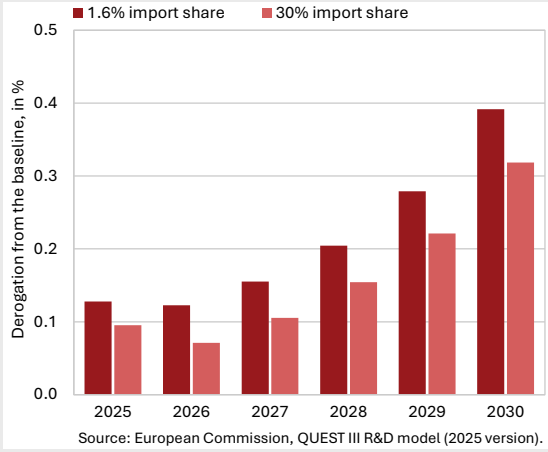
[54] A detailed description of the model and its calibration procedure can be found in Roeger et al. (2008).
[55] The value is used for illustrative purposes only.
[56] Additional aspects will be incorporated into future simulations, which will be presented in a separate analysis.

Figure 42: Defence spending in Slovenia according to NATO and COFOG classifications



Source: Eurostat, Ministry of Defence.

Figure 43: Impact of higher defence spending on Slovenia's GDP

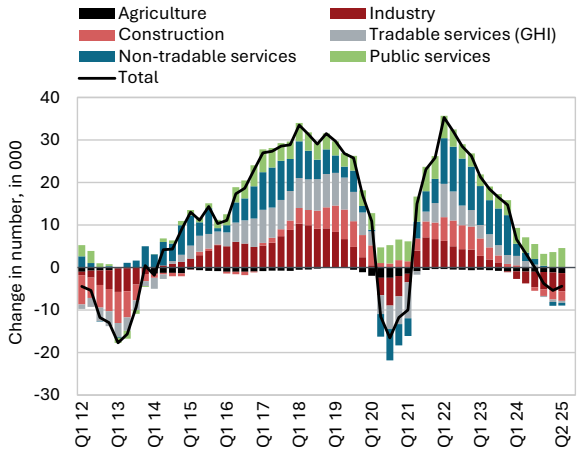


Source: European Commission, QUEST III R&D model (2025 version).

2.2 Employment and unemployment

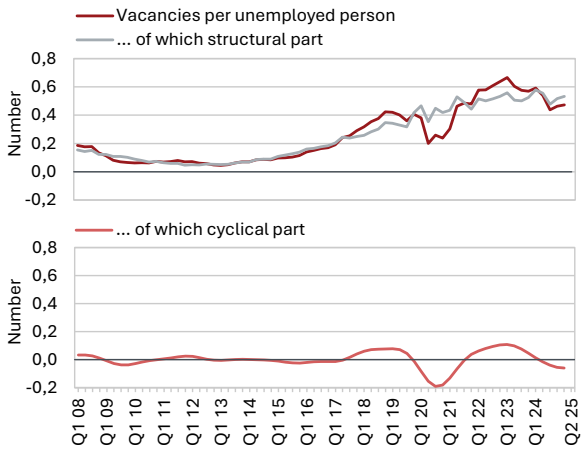
In the first half of this year, employment[57] declined by 0.4% year-on-year, corresponding to a reduction of approximately 5,000 persons.[58] The deceleration of employment growth had already begun in the second half of 2022. In 2024, average employment growth remained modest (0.5%) constrained by labour shortages and subdued economic activity. In the fourth quarter, employment had already fallen below the level observed in the same period of the previous year. The decline in employment in the first half of 2025 was driven mainly by further contractions in labour-intensive sectors (construction and manufacturing), while employment in public services increased, particularly in health care and education (see also Section 2.1.3).

Figure 44: Employment by activities



Source: SURS.

Figure 45: Cyclical pressures in the labour market have eased recently, although they remain relatively high[59]



Source: SURS; calculations by IMAD.

Although the job vacancy rate has declined somewhat compared with the years of stronger economic growth, a considerable share of employers continue to face labour shortages. Cyclical pressures in the labour market have eased somewhat, as indicated by the lower ratio of vacancies to unemployed persons. Nevertheless, employers continue to report severe shortages of skilled labour. The job vacancy rate, which has been gradually declining since its peak in 2022, remains high in several private sector activities and public services. The persistent labour shortage is primarily structural in nature, reflecting demographic trends,[60] as the population of potential workers (i.e. individuals aged 20–64) is declining. This is evident in the rising number of retirements compared

[57] Employment figures are reported according to national accounts statistics, which encompass all forms of work.

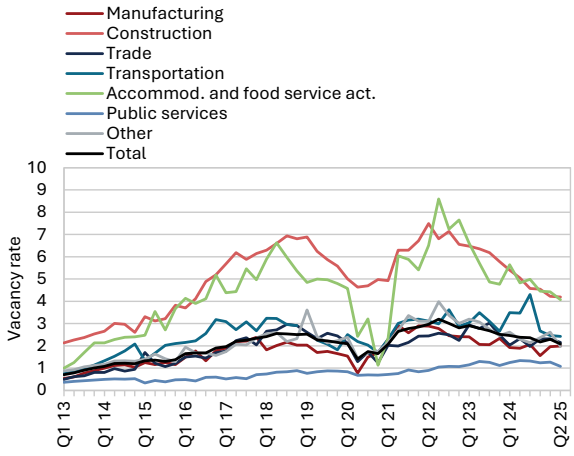
[58] Quarterly developments are assessed on the basis of quarterly national accounts, which will be harmonised with the annual accounts by the end of September 2025.

[59] One of the indicators of labour market pressures is the ratio of job vacancies (demand) to the number of unemployed persons (supply). The series is decomposed into cyclical and structural (long-term trend) components using the Christiano–Fitzgerald filter with a cycle length of 1.5 to 8 years. For further details, see OECD (2024).

[60] The number of persons aged 20–64, who are typically employed and thus represent the potential labour force, has been steadily decreasing since 2012.

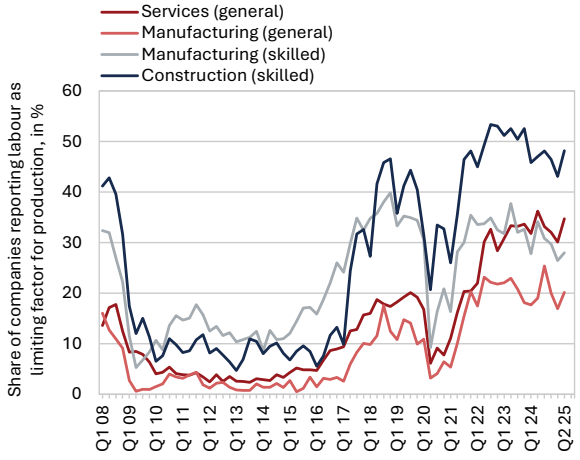
with previous years, coupled with the smaller inflow of younger cohorts into the labour market, which makes it increasingly difficult for firms to replace retiring employees.[61] Around half of construction firms and one third of firms in manufacturing and services report that labour shortages are constraining their business activity. For several years, the employment of foreign workers has been the main source of new labour supply, not only in the private sector but also in certain public services.[62] In the first half of this year, the number of foreign workers was 2.0% higher year-on-year and 55.3% above the level recorded in the same period of 2019. On average, foreign workers accounted for 16% of total employment in the first half of the year.[63]

Figure 46: Labour shortages, as measured by the job vacancy rate,[64] have eased somewhat across most sectors over the past two years



Source: Eurostat.

Figure 47: In construction, around half of all firms report that labour shortages are constraining their business activity, compared with one third in manufacturing and services



Source: SURS.

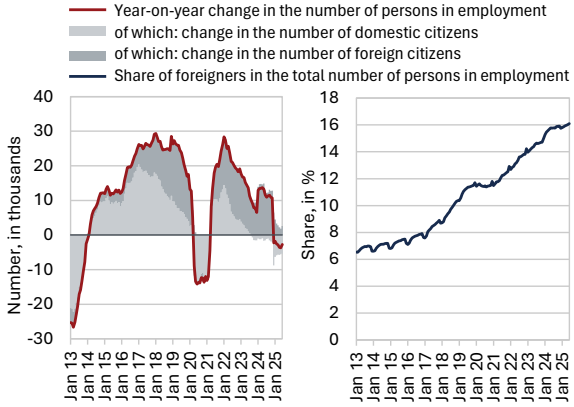
[61] In 2020, the number of newly retired persons exceeded 20,000. Between 2020 and 2024, an average of 23,900 persons retired annually, compared with 17,300 in the period 2013–2019 (ZPIZ, 2022, 2023, 2024, 2025). According to the Labour Force Survey (SURS, 2025), between 2012 and 2024 the number of young people (aged 20–29) decreased by 58,000, while the number of older people (aged 55–64) increased by 23,000. During this period, the total number of residents aged 20–64 declined by 77,000, implying an average annual contraction of around 6,500 persons in the potential labour force.

[62] According to the Statistical Register of Employment, which covers employed persons with an employment contract. Foreign workers are mainly employed in labour-intensive industries such as construction, accommodation and food service activities, and transportation and storage. According to the Labour Force Survey, foreign nationals accounted for 12% of the employed population in the second quarter of this year. In our assessment, the discrepancy between the two sources reflects differences in the underlying statistical populations. Survey data classify as employed also residents engaged in other, less formal forms of work, thereby increasing the denominator in the calculation of the share of foreign nationals in employment.

[63] In public services, the share of foreign nationals in employment is highest in health and social care (5.5% in the first half of the year), followed by education (3.6%), while it remains low in public administration, defence and compulsory social security services (0.2%).

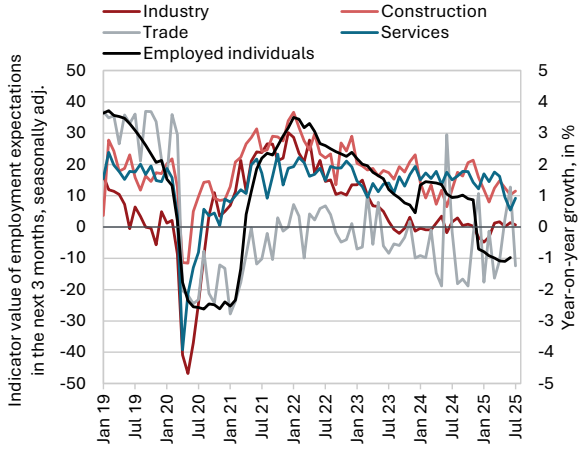
[64] The job vacancy rate is defined as the share of job vacancies in the total number of jobs (vacant and occupied). A higher rate reflects greater difficulties for employers in filling vacancies (and vice versa).

Figure 48: The share of foreign nationals in total employment continues to rise gradually



Source: SURS. Note: The increase and decline in the change in the number of foreign persons in employment in 2024 reflects a methodological change in the data source.

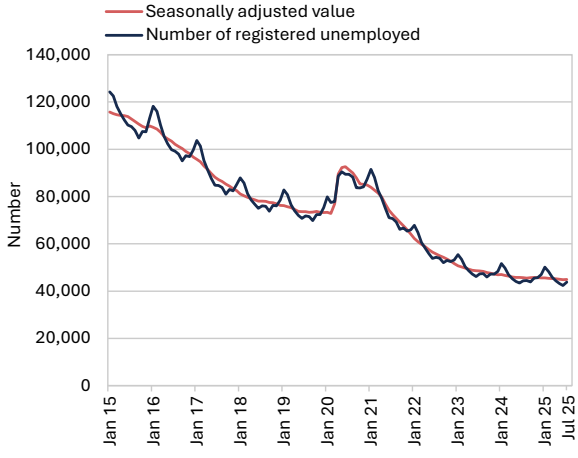
Figure 49: The employment expectations indicator points to weak growth in new hiring over the next three months



Source: Eurostat, SURS.

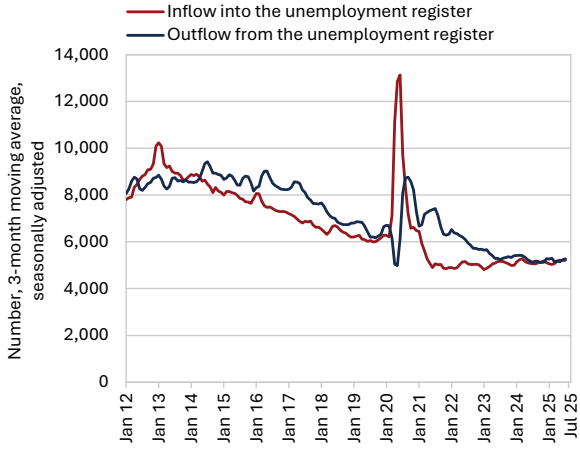
With weaker labour demand, the decline in the number of registered unemployed has continued to slow this year. The decline in unemployment has slowed markedly since 2023. This is mainly due to a decline in outflows from the unemployment register (primarily into employment), while inflows remain relatively subdued.[65] At the end of August (latest available data), 44,307 people were unemployed, marking a 0.4% year-on-year decrease.

Figure 50: The decline in unemployment has slowed markedly since early 2023...



Source: ESS; IMAD calculations.

Figure 51: ...primarily due to reduced outflows from unemployment related to a decline in employment, while inflows remain low



Source: ESS; calculations by IMAD.

[65] The continued decline in unemployment, despite the decrease in total employment, can be attributed to retirements (and the inability to replace the retiring workers) as well as temporary exits from the labour force. Both factors have a similar effect in reducing the number of unemployed.

Employment is projected to decline this year (by 0.2%), before stagnating in the coming years, while unemployment is expected to remain low throughout the forecast horizon. In the second half of this year, employment is anticipated to stagnate, as also signalled by the short-term employment indicator. In the coming years, stagnation is expected to persist, largely due to labour supply constraints. A large share of new employment will continue to stem from the hiring of foreign nationals; however, this will not be sufficient to offset the impact of the shrinking working-age population on overall employment.[66] The average number of registered unemployed persons will remain broadly unchanged this year compared with the previous year. In the next two years, however, with unemployment at a historically low level, further declines will be driven mainly by demographic factors, resulting in a gradual increase in transitions from unemployment into inactivity or retirement.[67]

Table 5: Employment and unemployment forecasts

In %	2024	2025		2026		2027
		February 2025	September 2025	February 2025	September 2025	September 2025
Employment according to the SNA, growth	0.5	0.1	**-0.2**	0.4	**0.1**	**0.1**
Number of registered unemployed, in thousands, annual average	46.0	45.4	**45.1**	44.8	**44.5**	**43.9**
Registered unemployment rate	4.6	4.6	**4.6**	4.5	**4.5**	**4.4**
ILO unemployment rate	3.7	3.7	**3.6**	3.7	**3.6**	**3.5**

Sources: For 2024, SURS; for 2025–2027, forecast by IMAD.

[66] In the past, Slovenia met a significant share of its labour demand by employing workers from the former Yugoslav countries. However, these countries are themselves facing demographic pressures and emigration to other EU Member States, which compete with Slovenia in attracting foreign workers. Consequently, they can no longer be regarded as an inexhaustible source of labour inflows. According to SURS data, the share of non-European immigrants increased from 3.6% in 2022 to 8.3% in 2024.

[67] Although the absolute number of unemployed persons transitioning into retirement has been gradually declining due to the shrinking pool of unemployed, their share relative to the total unemployed is the highest since 2012.

2.3 Wages

The acceleration of nominal gross wage growth in the first six months of this year (7.2% year-on-year) was driven by wage growth in the public sector (10.6%); growth in the private sector remained relatively robust (5.3%), albeit somewhat lower than in previous years. In the public sector, this year's strong growth mainly reflected the rise in base wages in the general government sector, which accounts for the bulk of public sector employment, following the implementation of the wage reform in early 2025. In the private sector, wage growth continued to be driven primarily by excess labour demand, although its effect was less pronounced than last year due to the slowdown in economic activity.[68] Wage growth was most notable, though not exceptionally high, in transportation (6.0%), construction and accommodation and food service activities (both 5.6%), and ICT activities (6.2%). In manufacturing (5.1%), it was broadly in line with the private sector average, while it was lower in administrative and support service activities (4.2%), which also include employment agencies.[69] In real terms, the average wage in the first half of this year rose by 5.1% overall, by 8.4% in the public sector, and by 3.2% in the private sector.

This year, nominal growth in the overall average gross wage (7.5%; public sector 10.0%, private sector 6.0%) is projected to exceed last year's rate, before moderating somewhat, while real wage growth is expected to remain above the levels recorded a decade ago. In the public sector, wage growth will be primarily driven by the implementation of the wage reform effective from 1 January 2025 (ZSTSPJS, 2024)[70]. Its impact will be strongest this year and will gradually diminish in 2026 and 2027, in line with the planned phasing-in of the reform and the impact assessment conducted during its preparation. In the private sector, relatively robust wage growth is also expected to persist this year and in the years ahead. Wage dynamics will continue to be shaped by labour market pressures, with an additional demonstration effect arising from wage increases in the public sector. However, companies' efforts to safeguard cost competitiveness are likely to result in more moderate real wage growth compared with recent years. The forecast for gross wage growth is also subject to risks. In the public sector, these risks stem from the evaluation of the wage reform and certain of its components, the full fiscal impact of which could not be quantified at the time the forecast was prepared. In the private sector, risks are primarily associated with stronger wage pressures arising from labour shortages and a potentially more pronounced demonstration effect from public sector wage increases.

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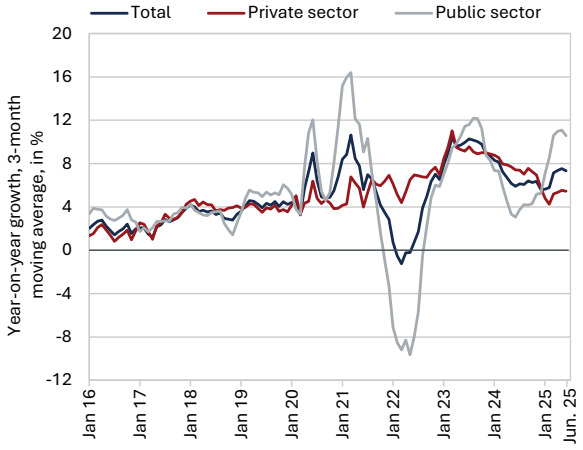
[68] Last year, year-on-year wage growth in the private sector stood at 6.5% in the first half of the year.

[69] Overall, the dispersion of wage growth across private sector activities was relatively narrow in the first half of this year (standard deviation of 0.9 p.p.) compared with previous years. This likely reflects, among other factors, subdued overall economic activity, pressures arising from deterioration of cost competitiveness in recent years, and heightened uncertainty in the broader economic environment.

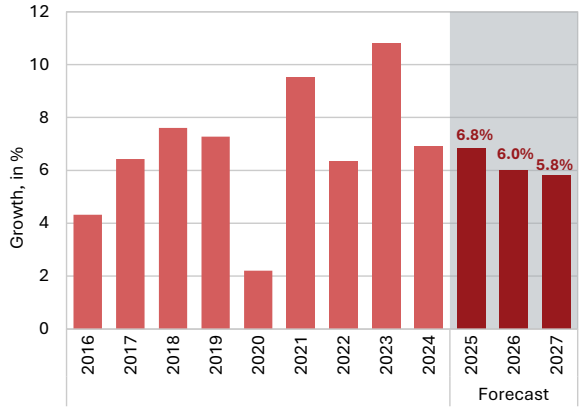
[70] Among other provisions, the Act establishes a transitional period during which public employees and officials will be gradually reclassified to higher wage levels between 2025 and 2028.

Figure 52: Nominal wage growth in the first half of the year was high, primarily due to wage increases in the public sector



Source: SURS, calculations by IMAD

Figure 53: Estimate and forecast of nominal contribution base growth



Source: SURS, forecast by IMAD. Note: The forecast for nominal contribution base growth is calculated as the product of the number of wage earners based on wage statistics and the gross wage per

Table 6: Forecast for growth in the average wage per employee

Growth rates, in %	2024	2025		2026		2027
		February 2025	September 2025	February 2025	September 2025	September 2025
Gross wage per employee – nominal	6.2	6.2	**7.5**	5.5	**5.5**	**5.3**
– private sector	7.0	5.8	**6.0**	5.6	**5.3**	**5.3**
– public sector	4.6	6.7	**10.0**	5.2	**5.9**	**5.3**
Gross wage per employee – real	4.1	3.8	**4.9**	3.1	**3.1**	**3.0**
– private sector	4.9	3.5	**3.4**	3.3	**2.9**	**3.0**
– public sector	2.5	4.4	**7.3**	2.9	**3.5**	**3.0**

Sources: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.

2.4 Inflation

Inflation has accelerated in Slovenia this year. Measured by the Harmonised Index of Consumer Prices (HICP)[71], it stood at 3.0% in August, 0.9 p.p. above the euro area level.[72] According to the CPI[73], year-on-year inflation was likewise 3.0%, 1.1 p.p. higher than in December 2024. The main contributor was the accelerated increase in food and non-alcoholic beverage prices, which rose by 7.6% year-on-year. This year, the negative contribution of energy[74] to inflation has also diminished, mainly due to the expiry of government measures to mitigate the impact of high energy prices. In February, energy prices were still down 4.3% year-on-year, but by August the decline had narrowed to 2.9% (the difference would have been greater, had it not been for the seasonal switch to lower network charges in March). Service price growth, which had decelerated sharply at the end of last year, has stabilised this year at around 3%. With a contribution of around 1.0 p.p., services remain an important driver of inflation. Particularly strong growth was recorded in services facing robust demand, labour shortages and stronger cost pressures from rising wages (e.g. accommodation and food service activities, package holidays).[75] The rise in non-energy industrial goods prices has been moderate. Durable goods prices, which were still falling last year and early this year, were slightly higher year-on-year in August (0.3%), largely due to a lower base, as no marked current price increases were recorded. The growth of semi-durable goods prices strengthened to 5.2% in August compared with the end of last year, mainly due to a somewhat less pronounced seasonal decline in the clothing and footwear group.[76] Core inflation, excluding the impact of food and energy prices, was stable in the first seven months and mostly hovered slightly above 2%. In August, however, it rose to 2.8% due to higher prices of semi-durable goods.

The strong growth in food prices is assessed to have been driven by both external and domestic factors. August data indicate that the largest contributions to food price growth stemmed from higher prices in the meat, fruit, and sugar groups.[77] This year, growth of producer prices of agricultural products

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[71] The HICP is methodologically comparable across EU Member States and measures changes in the level of retail prices of goods and services from the point of view of the expenditure structure, which consumers (domestic and foreign) intend for final consumption in the territory of Slovenia (domestic concept).

[72] Eurostat's flash estimate published on 2 September 2025.

[73] The CPI measures changes in the level of retail prices of goods and services according to the structure of expenditures made by the domestic population on purchases of final consumption items at home and abroad (national consumption principle).

[74] Mainly due to lower oil derivative prices and the appreciation of the euro, the negative contribution was greater than expected in the Spring Forecast.

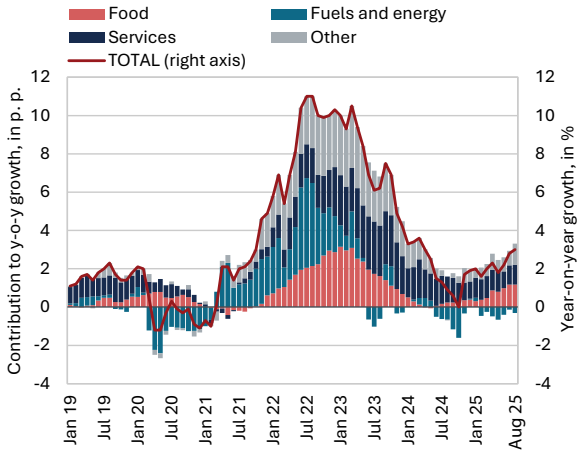
[75] In some services, in addition to these factors, high growth in input prices related to the provision of such services (e.g. motor vehicle repair and maintenance) has also contributed to the elevated rates of increase.

[76] Core inflation excluding energy and unprocessed food (HICP) stood at 3.1% in July, 0.7 p.p. above the euro area average, while when excluding energy, food, alcohol and tobacco prices, it was at the euro area level (2.3%).

[77] In certain product groups, such as sugar and confectionery, price growth has been driven by developments on global markets, particularly poor harvests in major producer countries. In other groups, such as fruit, higher prices reflect adverse weather conditions and the resulting weaker harvests. For some types of meat, lower domestic supply is partly attributable to strong export orientation, while

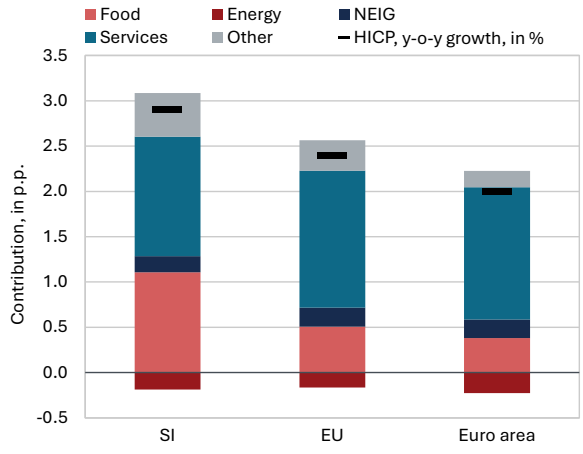
has also strengthened, with prices up by nearly one-tenth year-on-year by mid-year,[78] pronounced increase was also recorded in the manufacture of food products (4.3%). A comparison of food price developments with the euro area (2.7%) shows substantial divergences: in July, food prices in Slovenia rose by 7% year-on-year, the second-highest rate among Member States (exceeded only by Estonia, at 9%).

Figure 54: In recent months, the main drivers of higher inflation in Slovenia have been the stronger growth in food prices and the slower decline in energy prices



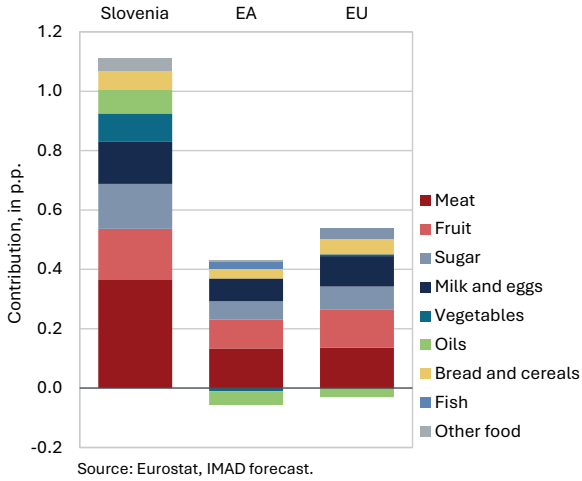
Source: SURS, calculations by IMAD.

Figure 55: Inflation in Slovenia is higher than the EU and euro area averages, with a markedly stronger contribution from food prices



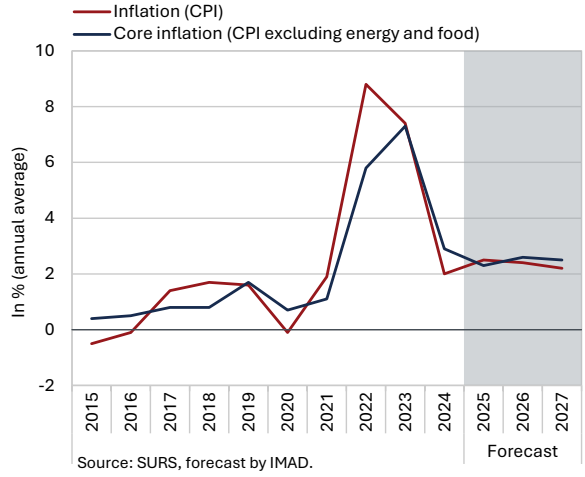
Source: Eurostat, calculations by IMAD.

Figure 56: The contribution to inflation in Slovenia is higher than in the EU or the euro area across most food categories



Source: Eurostat, IMAD forecast.

Figure 57: After 2025, inflation is expected to gradually decline, though the contribution of service prices will remain above average, while developments will also be influenced by measures affecting energy prices



Source: SURS, forecast by IMAD.

outbreaks of animal viral infections may exert additional upward pressure. The contribution of the increased VAT rate on sugar-sweetened beverages to the growth of non-alcoholic beverage prices amounted to 0.1 p.p.

[78] Beef prices stand out in particular, having risen by almost 30% year-on-year, while double-digit inflation was also recorded in milk (12.9%), maize (11.8%) and wheat (10.2%).

Driven mainly by stronger food price growth, inflation this year (2.9%) will be somewhat higher than both last year's rate and the Spring Forecast; in the next two years, it is expected to decline towards 2.3%. Service price growth will also remain relatively elevated, underpinned by wage increases stemming from labour shortages and by demand supported by rising disposable income. In accommodation and food service activities, food price dynamics are also reflected indirectly. Other indicators, however, suggest limited additional price pressures. Producer price growth is moderate (1.2% year-on-year on the domestic market in July). Import prices are falling due to lower energy prices and the appreciation of the euro (–1.4% in July). The growth of non-energy industrial goods prices will remain moderate, provided no commodity shocks occur. For energy prices, the projection assumes no external shocks. Past administrative measures will continue to exert a significant impact through base effects, while future developments will also be influenced by changes in network charges.[79] After 2025, inflation is expected to ease to 2.3%, mainly reflecting more moderate growth in food prices. Nevertheless, the impact of climate change on food production volumes and costs will persist. Service price growth is expected to consistently outpace overall consumer price inflation, keeping core inflation slightly above 2% over a longer period.

Table 7: Inflation forecast

In %	2024	2025		2026		2027
		February 2025	September 2025	February 2025	September 2025	September 2025
Inflation – Dec./Dec.	1.9	2.7	**2.9**	2.2	**2.3**	**2.3**
Inflation – annual average	2.0	2.3	**2.5**	2.3	**2.4**	**2.2**

Sources: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.

[79] The new draft amendments to the Act on the Methodology for Calculating Network Charges for Electricity Operators (Energy Agency, 2025) provide for a transitional period lasting until 2028, when the full tariff will take effect. A gradual increase in tariffs for time block 1 for household consumers is envisaged, such that in 2025 they would be charged 40% of the 2025 value, in 2026 60% of the 2026 value, and in 2027 80% of the 2027 value.

2.5 Current account of the balance of payments

The current account surplus will be considerably lower this year (2.6% of GDP) than last year (4.5% of GDP). The main contributing factor will be goods trade balance, reflecting a decline in real goods exports amid moderate import growth. According to IMAD estimates, quantity fluctuations will contribute EUR 1,263 million to the year-on-year change in the goods trade balance (EUR 1,166 million), shifting it from last year's surplus to a deficit, while terms-of-trade effects will be positive, at EUR 97 million. The services surplus is expected to increase, primarily due to stronger surpluses in transport services and research and development services. The primary income deficit will be lower this year, primarily due to higher subsidies from the EU budget and lower net outflows of equity income from direct investment. The higher secondary income deficit will mainly reflect a decline in transfers received by the government sector from abroad. The surplus of savings over investment in the economy as a whole will decline, mainly due to a higher general government current account deficit and a lower current transactions balance of non-financial corporations, mainly due to a larger contribution of inventories to gross investment. Households, however, will increase their savings amid growth in gross disposable income and moderate growth in private consumption.

The current account surplus will continue to decline in 2026 and 2027. The goods trade deficit is expected to widen slightly in both years, reflecting lower export growth relative to import growth amid moderate growth in domestic consumption. The projection assumes broadly unchanged terms of trade. However, services surplus is expected to increase across all components of services trade. The surplus in transport services will be bolstered by the growth of goods exports, while the surplus in travel services will be sustained by rising tourism receipts from foreign visitors, which are expected to outpace the increase in expenditure by Slovenian tourists abroad. Deficits in the primary and secondary income balances will increase in 2026–2027. In particular, interest payments by the government will gradually rise due to higher borrowing through bond issuance. The widening of the primary income deficit will be partly offset by subsidies from the EU budget.[80] The secondary income deficit, however, will expand primarily due to higher net contributions to the EU budget.[81]

[80] Most subsidies represent resources for the implementation of the Common Agricultural and Fisheries Policy, while part of the subsidies are funds from the Recovery and Resilience Facility. The bulk of receipts from the EU budget are investment transfers, which, in terms of the balance of payments statistics, are recorded under the capital account.

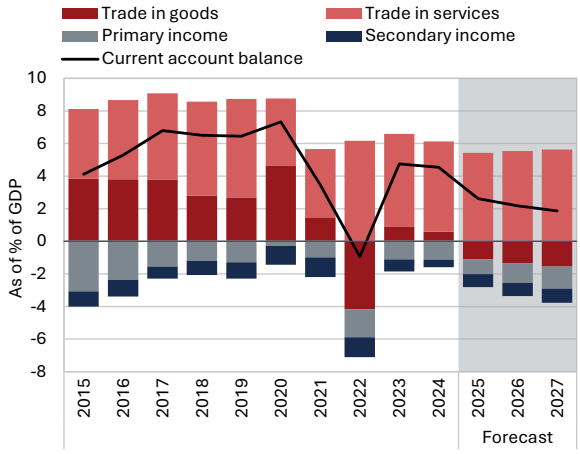
[81] Lower current transfers from the EU budget and higher payments to the EU budget based on gross national income and value added tax are projected; investment transfers, which account for the majority of resources that Slovenia will receive from the EU budget, are recorded in balance-of-payments statistics under the capital account.

Table 8: Forecast for the current account of balance – balance of payments statistics

	2024	2025		2026		2027
		February 2025	September 2025	February 2025	September 2025	September 2025
Current account, in EUR million	3,062	3,067	**1,839**	2,892	**1,609**	**1,443**
Current account, as a % of GDP	4.5	4.4	**2.6**	3.9	**2.2**	**1.9**

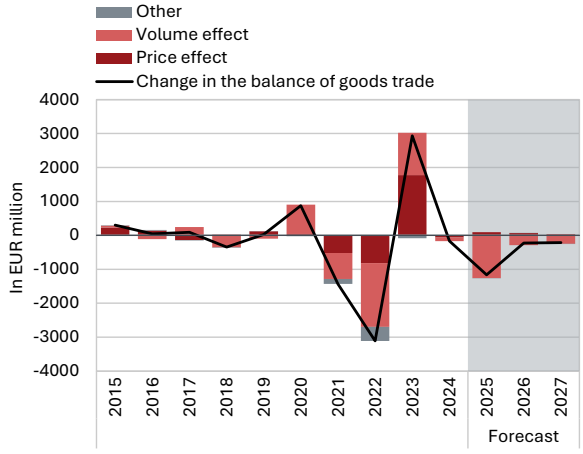
Sources: For 2024 BoS (2025), for 2025–2027 forecast by IMAD.

Figure 58: The current account balance will gradually decline over the forecast horizon, partly due to the growing deficit in trade in goods...



Source: BoS, calculations and forecast by IMAD.

Figure 59: ...which will result from lower export growth compared to import growth, with approximately unchanged terms of trade



Source: SURS, BoS, forecast and calculations by IMAD.

3 Risks to the forecast

The realisation of the autumn forecast is subject to significant risks, predominantly on the downside, arising mainly from the international environment but also from certain domestic factors. Compared with the spring, uncertainty surrounding US trade policy has eased somewhat, yet it remains elevated.

The main downside risk to the GDP forecast from the international environment is a potential escalation of trade tensions and a further increase in uncertainty. The imposition of higher tariffs has increased the likelihood of a sharper slowdown in global trade, exacerbated supply chain disruptions, and amplified indirect spillover effects. Although trade agreements concluded by the United States with several major partners have reduced uncertainty somewhat from historically elevated levels, it remains high. A prolonged period of heightened uncertainty, or a renewed surge in the event of escalating trade tensions, would weigh on economic activity in Slovenia's key trading partners, primarily through weaker investment in sectors exposed to international trade. Front-loaded export production in anticipation of US tariffs has also led to the accumulation of substantial (excess) inventories, raising firms' exposure to higher storage costs and the risk of inventory obsolescence in the event of weaker demand. An additional risk stems from the diversion of a larger volume of Chinese exports to the European market, which could particularly affect European producers of electrical equipment and batteries. Another downside risk to the baseline forecast is a potential deterioration in financial market confidence, which could tighten financing conditions and lead firms and households to adopt a more cautious stance regarding investment and consumption decisions.

Geopolitical and other risks remain considerable and could further weigh on European economic growth, which has already been constrained for some time by structural weaknesses and declining competitiveness. An escalation of conflicts in war-affected areas, particularly in the Middle East and Ukraine, could push up energy, food, and transport prices, disrupt supply chains, and further weaken global trade and European growth prospects. Such developments could also fuel higher inflation and prompt renewed monetary policy tightening. Another downside risk to European growth is an inadequate response to structural challenges in the manufacturing sector (higher energy costs, rapid technological progress, changing consumer preferences, and global competition), particularly in the automotive industry. In the euro area, upside risks to inflation also arise from: (i) a prolonged period of wage growth outpacing productivity, amplified by shortages of skilled labour; (ii) further fragmentation of global supply chains, which would raise import prices and exacerbate domestic capacity constraints; and (iii) in the medium term, higher public expenditure on defence and infrastructure.

Domestic downside risks are also present, primarily related to the dynamics of government investment and the capacity to implement large-scale investment projects, as well as to rising labour costs. The pace of government investment will largely depend on the availability of adequate implementation capacity, which remains constrained. Potential delays may additionally arise from

public procurement procedures and project selection processes. In the construction sector, which has long suffered from shortages of lower-skilled labour, the lack of engineers and designers has recently become increasingly acute. Given the relatively high level of capacity utilisation, stronger demand for construction services could also exert additional upward pressure on construction prices. Labour shortages may also accelerate wage growth, not only in construction but across several other sectors, which could erode cost competitiveness and slow the disinflation process. Additional upward pressures on labour costs may stem from stronger demonstration effects associated with wage increases in the public sector.

Upside risks to economic growth stem from a stronger-than-expected impact of defence expenditure (both domestically and abroad), more effective attraction of highly educated labour, and favourable effects of EU funds absorption in conjunction with reform measures. In recent years, EU Member States have increased defence spending in response to changing security conditions and have announced further growth in the years ahead. If equipment were to become more readily available through the development of domestic defence and high-technology industries within the EU, including Slovenia, the positive impact on GDP growth could be greater than in the past, when the strengthening of military capabilities relied predominantly on imports. However, there is a risk that the reallocation of public expenditure to defence could, in the medium term, reduce the resources available for the implementation of other key policies. A more successful recruitment of highly educated foreign labour with the help of the adopted and possible additional measures could further mitigate labour shortages and have a favourable impact on economic activity. The full utilisation of EU funding and the positive effects of reform measures present an opportunity to strengthen development, with a key focus on: (i) increased support for research, innovation and digitalisation to boost productivity; (ii) green transformation towards a more sustainable economic model; and (iii) adjustments to social protection systems, primarily driven by demographic trends. These factors could have an even stronger positive impact on economic growth, particularly in the medium term.

4 Potential GDP growth

Estimates of potential GDP[82] and the output gap are volatile and subject to subsequent revisions, especially in an uncertain economic situation. As potential GDP cannot be measured directly, estimates thereof can change depending on input data or adjustments in the methodology used. Input data often change due to revisions of GDP growth in previous years, updated forecasts of GDP growth or other input categories, and adjustments in the length of included time series. As a result of these factors, ex-post estimates for the same period, even in the past, may alter the level of potential GDP and the output gap. In uncertain conditions, the current estimates of potential GDP and the output gap should be considered only in the context of the assumptions and broader economic picture at the time when they were made.

According to the latest estimate, potential GDP growth is expected to remain moderate this year and next, before beginning to decline toward the end of the forecast horizon. Growth of potential GDP strengthened gradually between 2012 and 2019, before temporarily declining in 2020 due to the impact of the health crisis (COVID-19 crisis). It recovered slightly to almost 2.7% on average in 2021–2023. It is estimated that the impact of the COVID-19 crisis on production factors was limited due to the intervention measures taken. This year and next, growth in potential GDP will be around 2.3%, before moderating. Over the projection horizon, the greatest contribution will still be made by *total factor productivity* (1.1 p.p.), whose growth is expected to be similar to that before the global financial crisis. *Capital*'s contribution will remain similar (0.7 p.p. on average) as in the previous three years. However, it will remain significantly lower than in the long term before the global financial crisis,[83] after which investment activity slowed. *Labour* is expected to contribute 0.5 p.p. to potential growth in 2025–2027 on average, with its contribution gradually declining due to demographic changes. This is also the main reason for the slowdown of growth in potential GDP at the end of the projection horizon.

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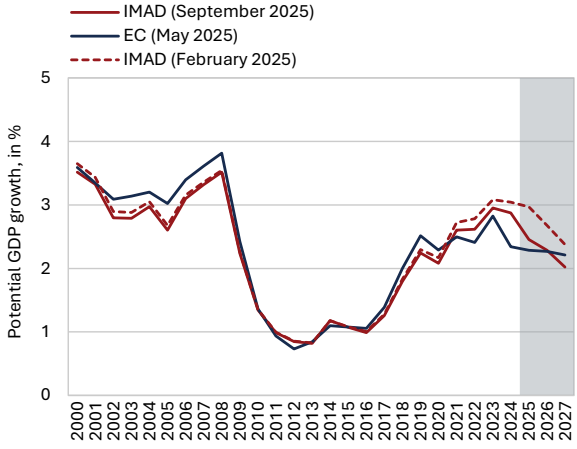
[82] Potential GDP is a macroeconomic indicator that represents the output an economy can achieve without creating inflationary pressures (i.e. overheating). If the actual output of an economy (actual GDP) is greater than the potential output (potential GDP), this causes an increase in inflation (and vice versa). The difference between actual GDP and potential GDP expressed as a percentage of potential GDP is referred to as a country's output gap. IMAD's calculation of potential GDP is based on a production function method. The method assumes that potential GDP can be represented by a combination of *labour* (which depends on demographic factors, the activity rate, number of hours worked and the natural unemployment rate), *capital* and *total factor productivity*. The method does not significantly differ from that of the European Commission. The disparities between potential GDP or output gap calculations by IMAD and the EC are largely due to the differences in (i) the lengths of the forecast periods, (ii) the forecasts of macroeconomic indicators and (iii) certain input data (IMAD uses the August revision of SURS data, in the series of data on employment according to national accounts statistics, IMAD's calculations also take into account a correction for the break in the data series in 2002).

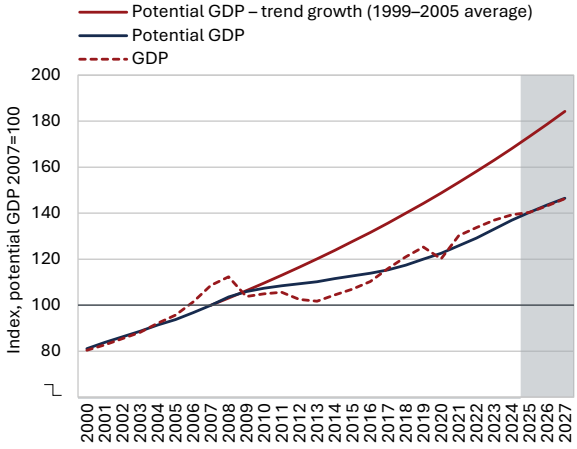
[83] The contribution of capital to potential GDP growth in 2000–2008, when it was relatively stable, averaged 1.7 p.p.

Figure 60: Potential GDP change: a comparison of IMAD and EC calculations



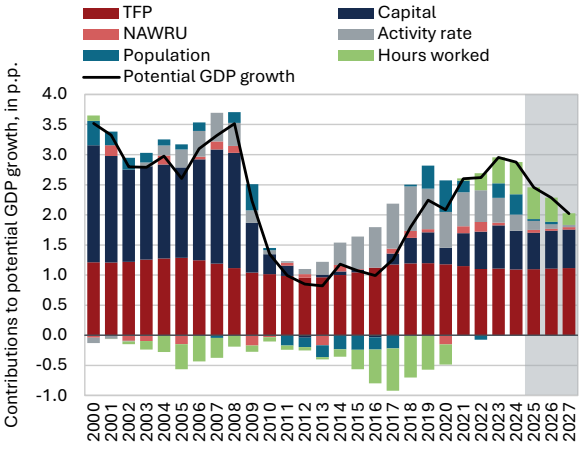
Source: SURS, estimates by IMAD and the EC.

Figure 61: GDP and potential GDP



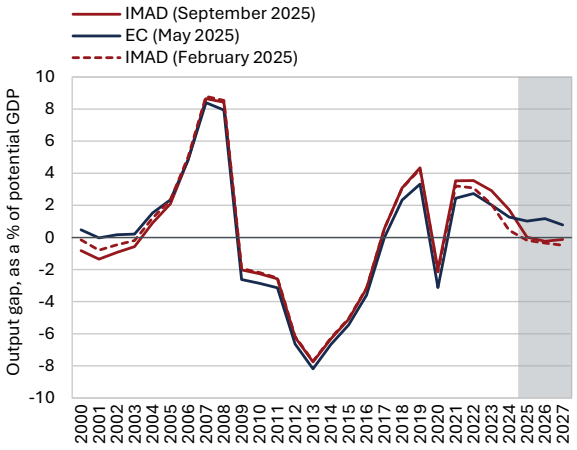
Source: SURS, estimates by IMAD.

Figure 62: Contributions of individual components to potential GDP growth



Source: SURS, estimates by IMAD.

Figure 63: Output gap: a comparison of IMAD and EC calculations



Source: SURS, estimates by IMAD and the EC.

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Statistical appendix

Table of contents

The statistical appendix in XLS format, from 2010 to 2029, is available on IMAD's website.

Table 1: Main macroeconomic indicators of Slovenia

Real growth rates in %, unless otherwise indicated

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
GROSS DOMESTIC PRODUCT	3.5	-4.1	8.4	2.7	2.4	1.7	0.8	2.1	2.2	2.1	2.1
GDP in EUR m (at current prices)	48,157	46,739	52,032	56,882	64,050	67,418	70,250	73,793	77,388	81,066	84,627
GDP per capita in EUR (at current prices and at current exchange rate)	23,052	22,227	24,687	26,966	30,205	31,698	32,953	34,576	36,225	37,927	39,583
GDP per capita in USD (at current prices and at current exchange rate)	25,807	25,388	29,197	28,395	32,660	34,310	37,148	40,121	42,035	44,010	45,932
GDP per capita (PPS)[1]	27,500	26,700	29,300	32,100	35,000	36,100					
GDP per capita (PPS EU27_2020 = 100)[1]	87	88	88	89	92	91					
EMPLOYMENT AND PRODUCTIVITY											
Employment according to National Accounts	2.4	-0.7	1.3	2.9	1.5	0.5	-0.2	0.1	0.1	0.0	-0.1
Registered unemployed (annual average in thousand)	74.2	85.0	74.3	56.7	48.7	46.0	45.1	44.5	43.9	43.5	43.0
Rate of registered unemployment in %	7.7	8.7	7.6	5.8	5.0	4.6	4.6	4.5	4.4	4.4	4.3
Rate of unemployment by ILO in %	4.5	5.0	4.8	4.0	3.7	3.7	3.6	3.6	3.5	3.5	3.5
Labour productivity (GDP per employee)	1.0	-3.4	7.0	-0.2	0.9	1.3	0.9	1.9	2.0	2.1	2.3
WAGES											
Gross wage per employee - nominal growth in %	4.3	5.8	6.1	2.8	9.7	6.2	7.5	5.5	5.3	4.6	4.0
Private sector activities	3.9	4.4	6.1	6.2	9.4	7.0	6.0	5.3	5.3	4.8	4.7
Public service activities	5.4	7.8	6.5	-2.5	10.3	4.6	10.0	5.9	5.3	4.4	2.9
Gross wage per employee - real growth in %	2.7	5.9	4.1	-5.6	2.2	4.1	4.9	3.1	3.0	2.4	1.9
Private sector activities	2.2	4.5	4.1	-2.4	1.9	4.9	3.4	2.9	3.0	2.6	2.6
Public service activities	3.7	7.9	4.5	-10.4	2.7	2.5	7.3	3.5	3.0	2.1	0.8
INTERNATIONAL TRADE											
Exports of goods and services	4.5	-8.5	14.1	7.4	-1.9	2.3	-0.2	2.8	3.1	2.4	3.2
Exports of goods	4.5	-5.5	12.9	2.8	-2.6	2.6	-1.0	2.3	2.7	1.7	2.8
Exports of services	4.6	-19.7	19.2	26.7	0.5	1.5	2.3	4.4	4.3	4.3	4.3
Imports of goods and services	4.7	-9.1	17.8	9.3	-4.5	4.3	2.4	3.1	3.4	3.0	3.7
Imports of goods	5.0	-8.6	17.2	7.7	-5.3	4.6	2.1	2.9	3.2	2.8	3.6
Imports of services	3.0	-12.0	20.7	17.8	0.0	2.8	4.0	4.1	4.1	4.0	4.0

Table 1: Main macroeconomic indicators of Slovenia - continue

Real growth rates in %, unless otherwise indicated

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
BALANCE OF PAYMENTS STATISTICS											
Current account balance in EUR m	3,105	3,423	1,807	-529	3,043	3,062	1,839	1,609	1,443	1,033	754
- As a per cent share relative to GDP	6.4	7.3	3.5	-0.9	4.8	4.5	2.6	2.2	1.9	1.3	0.9
External balance of goods and services in EUR m	4,206	4,094	2,947	1,145	4,226	4,130	3,049	3,096	3,162	3,012	2,886
- As a per cent share relative to GDP	8.7	8.8	5.7	2.0	6.6	6.1	4.3	4.2	4.1	3.7	3.4
FINAL DOMESTIC DEMAND											
Final consumption	4.6	-3.5	9.8	2.6	0.5	4.8	2.1	2.6	2.3	2.3	2.2
As a % of GDP	70.5	70.8	72.6	73.4	70.8	72.3	73.4	73.9	74.1	74.1	74.0
in which:											
Private consumption	5.5	-6.1	11.3	3.9	0.0	3.8	2.2	2.2	2.4	2.3	2.2
As a % of GDP	52.0	50.1	51.8	54.0	51.6	51.9	52.2	52.0	51.9	51.8	51.8
Government consumption	1.9	4.1	6.2	-0.6	2.1	7.3	1.6	3.8	2.3	2.0	1.9
As a % of GDP	18.5	20.7	20.8	19.5	19.2	20.4	21.2	21.9	22.2	22.3	22.2
Gross fixed capital formation	4.9	-7.2	11.9	4.7	5.5	-0.3	0.8	3.0	2.5	3.7	3.7
As a % of GDP	19.8	19.0	20.2	22.0	21.6	20.9	20.6	20.6	20.6	20.9	21.3
EXCHANGE RATE AND PRICES											
Ratio of USD to EUR	1.120	1.141	1.184	1.054	1.082	1.082	1.127	1.160	1.160	1.160	1.160
Real effective exchange rate - deflated by CPI[2]	-0.4	-0.5	-0.4	-0.4	2.4	-0.1	1.0	0.7	0.4	0.3	0.1
Inflation (end of the year), %[3]	1.8	-1.1	4.9	10.3	4.2	1.9	2.9	2.3	2.3	2.2	2.1
Inflation (year average), %[3]	1.6	-0.1	1.9	8.8	7.4	2.0	2.5	2.4	2.2	2.2	2.1
Brent Crude Oil Price USD / barrel	64.3	41.8	70.7	100.8	82.5	80.5	69.8	65.4	65.2	65.8	66.5

Source: SURS, BoS, Eurostat, calculations and forecasts by IMAD.

Note: [1] Measured in purchasing power standard. [2] Growth in value denotes real appreciation of national currency and vice versa. [3] Consumer price index.

Table 2a: Gross value added by activity at basic prices and gross domestic product

EUR million, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	852.6	886.8	786.5	924.2	981.2	1,036.4	1,088.9	1,106.9	1,137.6	1,159.2	1,184.8
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	11,275.7	11,076.9	11,877.1	12,543.9	15,002.1	15,620.6	15,806.3	16,559.0	17,327.3	18,134.4	18,931.0
	of which: C Manufacturing	9,907.9	9,589.7	10,366.4	11,339.2	12,502.5	13,056.9	13,313.2	14,020.6	14,781.2	15,483.6	16,163.7
F	Construction	2,475.9	2,451.5	2,770.5	3,378.0	3,947.1	3,975.5	4,180.6	4,427.6	4,596.9	4,864.0	5,136.8
GHI	Trade, transportation and storage, accommodation and food service activities	8,766.6	7,954.9	9,102.3	10,185.6	11,357.6	11,673.5	12,051.5	12,692.3	13,287.6	13,992.0	14,606.6
J	Information and communication	1,721.2	1,795.9	2,021.2	2,209.2	2,482.8	2,650.4	2,796.0	3,010.7	3,196.1	3,380.4	3,562.8
K	Financial and insurance activities	1,573.3	1,594.4	1,928.8	2,087.3	2,809.9	3,189.5	3,084.0	3,217.4	3,439.9	3,623.6	3,782.8
L	Real estate activities	3,016.4	3,058.4	3,268.9	3,783.7	4,098.8	4,233.1	4,411.7	4,608.3	4,829.0	4,981.5	5,128.4
MN	Professional, scientific, technical, administrative and support services	4,190.9	3,898.4	4,434.7	5,086.3	5,610.8	5,904.0	6,238.2	6,552.8	6,910.8	7,312.1	7,624.9
OPQ	Public administration, education, human health and social work	6,903.3	7,542.9	8,383.1	8,555.0	9,431.5	10,041.1	11,130.5	11,755.5	12,339.8	12,814.4	13,377.6
RST	Other service activities	1,045.2	879.2	966.5	1,181.1	1,273.4	1,370.0	1,440.1	1,512.7	1,625.2	1,751.0	1,861.8
1. TOTAL VALUE ADDED		**41,821.1**	**41,139.2**	**45,539.5**	**49,934.2**	**56,995.1**	**59,694.2**	**62,227.8**	**65,443.3**	**68,690.2**	**72,012.8**	**75,197.5**
2. CORRECTIONS (a-b)		6,335.4	5,599.5	6,492.9	6,947.4	7,054.9	7,723.9	8,022.6	8,349.2	8,698.2	9,053.1	9,429.3
a) Taxes on products		6,402.9	5,654.7	6,578.9	7,056.1	7,570.1	7,936.7	8,212.6	8,538.0	8,892.6	9,254.7	9,638.1
b) Subsidies on products		67.5	55.3	85.9	108.8	515.2	212.9	190.0	188.8	194.3	201.6	208.8
3. GROSS DOMESTIC PRODUCT (3=1+2)		**48,156.5**	**46,738.7**	**52,032.4**	**56,881.6**	**64,050.0**	**67,418.1**	**70,250.4**	**73,792.5**	**77,388.5**	**81,065.9**	**84,626.8**

Source: SURS, forecasts by IMAD.

Table 2b: Gross value added by activity at basic prices and gross domestic product

Structure in %, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	1.8	1.9	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	23.4	23.7	22.8	22.1	23.4	23.2	22.5	22.4	22.4	22.4	22.4
	of which: C Manufacturing	20.6	20.5	19.9	19.9	19.5	19.4	19.0	19.0	19.1	19.1	19.1
F	Construction	5.1	5.2	5.3	5.9	6.2	5.9	6.0	6.0	5.9	6.0	6.1
GHI	Trade, transportation and storage, accommodation and food service activities	18.2	17.0	17.5	17.9	17.7	17.3	17.2	17.2	17.2	17.3	17.3
J	Information and communication	3.6	3.8	3.9	3.9	3.9	3.9	4.0	4.1	4.1	4.2	4.2
K	Financial and insurance activities	3.3	3.4	3.7	3.7	4.4	4.7	4.4	4.4	4.4	4.5	4.5
L	Real estate activities	6.3	6.5	6.3	6.7	6.4	6.3	6.3	6.2	6.2	6.1	6.1
MN	Professional, scientific, technical, administrative and support services	8.7	8.3	8.5	8.9	8.8	8.8	8.9	8.9	8.9	9.0	9.0
OPQ	Public administration, education, human health and social work	14.3	16.1	16.1	15.0	14.7	14.9	15.8	15.9	15.9	15.8	15.8
RST	Other service activities	2.2	1.9	1.9	2.1	2.0	2.0	2.0	2.0	2.1	2.2	2.2
1. TOTAL VALUE ADDED		**86.8**	**88.0**	**87.5**	**87.8**	**89.0**	**88.5**	**88.6**	**88.7**	**88.8**	**88.8**	**88.9**
2. CORRECTIONS (a-b)		13.2	12.0	12.5	12.2	11.0	11.5	11.4	11.3	11.2	11.2	11.1
a) Taxes on products		13.3	12.1	12.6	12.4	11.8	11.8	11.7	11.6	11.5	11.4	11.4
b) Subsidies on products		0.1	0.1	0.2	0.2	0.8	0.3	0.3	0.3	0.3	0.2	0.2
3. GROSS DOMESTIC PRODUCT (3=1+2)		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SURS, forecasts by IMAD.

Table 3a: Gross value added by activity at basic prices and gross domestic product EUR million

		constant previous year prices						constant 2024 prices				
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	866.0	913.2	760.2	815.6	923.6	1,048.6	1,046.8	1,057.7	1,068.8	1,079.0	1,089.3
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	11,166.2	10,972.9	12,025.4	11,761.8	13,143.8	15,594.7	15,519.8	15,791.3	16,111.9	16,410.1	16,713.8
	of which: C Manufacturing	9,931.7	9,675.4	10,632.8	10,128.4	11,493.0	13,004.0	12,965.5	13,211.8	13,502.5	13,786.1	14,075.6
F	Construction	2,409.7	2,471.9	2,602.9	2,812.5	3,775.3	3,799.8	4,063.0	4,170.6	4,234.8	4,372.5	4,514.6
GHI	Trade, transportation and storage, accommodation and food service activities	8,669.8	8,060.4	8,817.0	9,331.4	10,069.8	11,475.9	11,717.3	11,945.6	12,226.2	12,513.7	12,807.9
J	Information and communication	1,672.0	1,781.4	2,032.0	2,212.7	2,379.8	2,616.6	2,742.4	2,867.1	2,997.3	3,130.7	3,270.0
K	Financial and insurance activities	1,556.8	1,589.5	1,940.6	1,943.4	2,104.4	2,860.1	3,125.7	3,199.1	3,280.4	3,360.8	3,443.2
L	Real estate activities	2,956.2	3,017.1	3,145.4	3,361.9	3,805.8	4,057.3	4,250.0	4,298.9	4,347.9	4,389.2	4,431.0
MN	Professional, scientific, technical, administrative and support services	3,951.6	3,786.0	4,259.5	4,861.6	5,225.1	5,651.9	6,010.3	6,145.4	6,289.6	6,437.4	6,588.8
OPQ	Public administration, education, human health and social work	6,532.5	7,070.1	7,862.5	8,523.4	8,624.1	9,596.7	10,227.9	10,458.0	10,672.4	10,848.6	11,027.7
RST	Other service activities	1,010.8	879.4	938.1	1,125.8	1,188.1	1,295.1	1,376.9	1,406.4	1,449.2	1,489.1	1,530.0
1. TOTAL VALUE ADDED		**40,791.4**	**40,541.9**	**44,383.6**	**46,750.3**	**51,239.8**	**57,996.7**	**60,079.9**	**61,340.3**	**62,678.4**	**64,031.0**	**65,416.3**
2. CORRECTIONS (a-b)		6,264.6	5,647.4	6,289.0	6,670.6	6,993.2	7,162.3	7,848.8	7,982.0	8,138.6	8,299.1	8,463.1
a) Taxes on products		6,325.4	5,694.1	6,364.8	6,792.5	7,112.9	7,686.6	8,035.6	8,168.1	8,326.6	8,489.0	8,655.0
b) Subsidies on products		60.7	46.7	75.8	121.8	119.7	524.4	186.8	186.1	187.9	189.9	191.9
3. GROSS DOMESTIC PRODUCT (3=1+2)		**47,056.0**	**46,189.3**	**50,672.6**	**53,420.9**	**58,233.0**	**65,159.0**	**67,928.7**	**69,322.2**	**70,817.1**	**72,330.2**	**73,879.4**

Source: SURS, forecasts by IMAD.

Table 3b: Gross value added by activity at basic prices and gross domestic product

Real growth rates in %

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	-4.3	7.1	-14.3	3.7	-0.1	6.9	1.0	1.0	1.0	1.0	1.0
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	6.0	-2.7	8.6	-1.0	4.8	4.0	-0.6	1.7	2.0	1.9	1.9
	of which: C Manufacturing	7.1	-2.3	10.9	-2.3	1.4	4.0	-0.7	1.9	2.2	2.1	2.1
F	Construction	8.2	-0.2	6.2	1.5	11.8	-3.7	2.2	2.6	1.5	3.3	3.3
GHI	Trade, transportation and storage, accommodation and food service activities	3.6	-8.1	10.8	2.5	-1.1	1.0	0.4	1.9	2.3	2.4	2.4
J	Information and communication	10.8	3.5	13.1	9.5	7.7	5.4	3.5	4.5	4.5	4.5	4.5
K	Financial and insurance activities	3.7	1.0	21.7	0.8	0.8	1.8	-2.0	2.3	2.5	2.5	2.5
L	Real estate activities	1.9	0.0	2.8	2.8	0.6	-1.0	0.4	1.1	1.1	1.0	1.0
MN	Professional, scientific, technical, administrative and support services	-1.5	-9.7	9.3	9.6	2.7	0.7	1.8	2.2	2.3	2.4	2.4
OPQ	Public administration, education, human health and social work	1.7	2.4	4.2	1.7	0.8	1.8	1.9	2.2	2.0	1.7	1.7
RST	Other service activities	4.0	-15.9	6.7	16.5	0.6	1.7	0.5	2.1	3.0	2.8	2.8
1. TOTAL VALUE ADDED		**3.6**	**-3.1**	**7.9**	**2.7**	**2.6**	**1.8**	**0.6**	**2.1**	**2.2**	**2.2**	**2.2**
2. CORRECTIONS (a-b)		2.6	-10.9	12.3	2.7	0.7	1.5	1.6	1.7	2.0	2.0	2.0
a) Taxes on products		2.6	-11.1	12.6	3.2	0.8	1.5	1.2	1.6	1.9	2.0	2.0
b) Subsidies on products		1.2	-30.8	37.2	41.8	10.0	1.8	-12.3	-0.3	1.0	1.0	1.0
3. GROSS DOMESTIC PRODUCT (3=1+2)		**3.5**	**-4.1**	**8.4**	**2.7**	**2.4**	**1.7**	**0.8**	**2.1**	**2.2**	**2.1**	**2.1**

Source: SURS, forecasts by IMAD.

Table 4a: Gross domestic product and primary incomes

EUR million, current prices

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
1. Compensation of employees	24,391.7	25,114.3	27,431.4	29,525.9	32,696.1	34,739.9	36,928.6	39,107.3	41,258.3	43,344.1	45,088.9
Wages and salaries	20,940.0	21,506.6	23,491.7	25,347.1	28,105.8	29,774.2	31,650.0	33,517.3	35,360.8	37,148.5	38,643.9
Employers' social contributions	3,451.7	3,607.7	3,939.7	4,178.8	4,590.3	4,965.7	5,278.6	5,590.0	5,897.5	6,195.6	6,445.0
2. Taxes on production and imports	**6,985.2**	**6,216.8**	**7,189.5**	**7,773.9**	**8,350.0**	**8,760.7**	**9,032.3**	**9,369.3**	**9,753.9**	**10,147.3**	**10,562.9**
Taxes on products	6,402.9	5,654.7	6,578.9	7,056.1	7,570.1	7,936.7	8,212.6	8,538.0	8,892.6	9,254.7	9,638.1
Other taxes on production	582.4	562.1	610.6	717.8	779.9	824.0	819.7	831.3	861.4	892.7	924.8
3. Subsidies	**742.2**	**2,219.4**	**1,637.2**	**1,009.5**	**1,424.7**	**991.5**	**1,079.0**	**1,084.5**	**1,158.2**	**1,164.6**	**1,249.7**
Subsidies on products	67.5	55.3	85.9	108.8	515.2	212.9	190.0	188.8	194.3	201.6	208.8
Other subsidies on production	674.8	2,164.1	1,551.2	900.7	909.5	778.6	889.0	895.7	963.8	963.0	1,040.9
4. Gross operating surplus / mixed income	**17,521.8**	**17,626.9**	**19,048.7**	**20,591.3**	**24,428.6**	**24,908.9**	**25,368.6**	**26,400.3**	**27,534.4**	**28,739.1**	**30,224.7**
Consumption of fixed capital	8,487.7	8,722.6	9,437.5	11,002.0	11,844.3	12,353.3	12,798.0	13,348.0	13,882.0	14,479.0	15,102.0
Net operating surplus	9,034.1	8,904.3	9,611.2	9,589.3	12,584.4	12,555.6	12,570.6	13,052.3	13,652.4	14,260.1	15,122.7
5. Gross domestic product (5=1+2-3+4)	**48,156.5**	**46,738.7**	**52,032.4**	**56,881.6**	**64,050.0**	**67,418.1**	**70,250.4**	**73,792.5**	**77,388.5**	**81,065.9**	**84,626.8**

Source: SURS, forecasts by IMAD.

Table 4b: Gross domestic product and primary incomes

Structure in %, current prices

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
1. Compensation of employees	50.7	53.7	52.7	51.9	51.0	51.5	52.6	53.0	53.3	53.5	53.3
Wages and salaries	43.5	46.0	45.1	44.6	43.9	44.2	45.1	45.4	45.7	45.8	45.7
Employers' social contributions	7.2	7.7	7.6	7.3	7.2	7.4	7.5	7.6	7.6	7.6	7.6
2. Taxes on production and imports	**14.5**	**13.3**	**13.8**	**13.7**	**13.0**	**13.0**	**12.9**	**12.7**	**12.6**	**12.5**	**12.5**
Taxes on products	13.3	12.1	12.6	12.4	11.8	11.8	11.7	11.6	11.5	11.4	11.4
Other taxes on production	1.2	1.2	1.2	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.1
3. Subsidies	**1.5**	**4.7**	**3.1**	**1.8**	**2.2**	**1.5**	**1.5**	**1.5**	**1.5**	**1.4**	**1.5**
Subsidies on products	0.1	0.1	0.2	0.2	0.8	0.3	0.3	0.3	0.3	0.2	0.2
Other subsidies on production	1.4	4.6	3.0	1.6	1.4	1.2	1.3	1.2	1.2	1.2	1.2
4. Gross operating surplus / mixed income	**36.4**	**37.7**	**36.6**	**36.2**	**38.1**	**36.9**	**36.1**	**35.8**	**35.6**	**35.5**	**35.7**
Consumption of fixed capital	17.6	18.7	18.1	19.3	18.5	18.3	18.2	18.1	17.9	17.9	17.8
Net operating surplus	18.8	19.1	18.5	16.9	19.6	18.6	17.9	17.7	17.6	17.6	17.9
5. Gross domestic product (5=1+2-3+4)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SURS, forecasts by IMAD.

Table 5a: Gross domestic product by expenditures

EUR million, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**48,156.5**	**46,738.7**	**52,032.4**	**56,881.6**	**64,050.0**	**67,418.1**	**70,250.4**	**73,792.5**	**77,388.5**	**81,065.9**	**84,626.8**
2	EXPORTS OF GOODS AND SERVICES	40,623.4	36,583.2	43,551.1	53,648.6	53,442.2	54,553.0	55,073.4	57,024.4	59,451.2	61,575.5	64,297.3
3	IMPORTS OF GOODS AND SERVICES	36,448.3	32,379.3	40,631.5	52,519.3	49,140.1	50,388.6	51,986.1	53,887.8	56,246.4	58,518.6	61,365.0
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	4,175.1	4,204.0	2,919.6	1,129.4	4,302.2	4,164.3	3,087.2	3,136.6	3,204.8	3,056.9	2,932.3
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	43,981.4	42,534.7	49,112.8	55,752.3	59,747.8	63,253.8	67,163.2	70,655.9	74,183.7	78,009.0	81,694.5
6	FINAL CONSUMPTION (6=7+8)	33,948.2	33,098.4	37,770.8	41,775.6	45,330.2	48,736.0	51,591.9	54,515.4	57,308.3	60,064.5	62,639.6
7	PRIVATE CONSUMPTION	25,049.0	23,414.6	26,935.0	30,690.5	33,024.0	34,990.1	36,667.3	38,358.3	40,129.6	41,970.3	43,810.5
	- Households	24,620.0	23,002.5	26,453.9	30,060.4	32,350.0	34,245.7	35,891.3	37,550.2	39,289.7	41,097.3	42,904.0
	- NPISH's	429.0	412.1	481.1	630.1	674.0	744.4	776.0	808.1	839.9	873.0	906.5
8	GOVERNMENT CONSUMPTION	8,899.2	9,683.7	10,835.8	11,085.1	12,306.2	13,745.9	14,924.7	16,157.1	17,178.7	18,094.3	18,829.1
9	GROSS CAPITAL FORMATION (9=10+11)	10,033.2	9,436.4	11,342.0	13,976.7	14,417.7	14,517.8	15,571.2	16,140.5	16,875.4	17,944.5	19,054.9
10	GROSS FIXED CAPITAL FORMATION	9,514.9	8,891.5	10,510.7	12,507.3	13,831.6	14,104.8	14,437.9	15,221.5	15,945.2	16,956.6	18,032.1
11	CHANGES IN INVENTORIES AND VALUABLES	518.2	544.9	831.3	1,469.3	586.0	413.0	1,133.3	919.1	930.2	987.9	1,022.8

Source: SURS, forecasts by IMAD.

Table 5b: Gross domestic product by expenditures

Structure in %, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
2	EXPORTS OF GOODS AND SERVICES	84.4	78.3	83.7	94.3	83.4	80.9	78.4	77.3	76.8	76.0	76.0
3	IMPORTS OF GOODS AND SERVICES	75.7	69.3	78.1	92.3	76.7	74.7	74.0	73.0	72.7	72.2	72.5
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	8.7	9.0	5.6	2.0	6.7	6.2	4.4	4.3	4.1	3.8	3.5
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	91.3	91.0	94.4	98.0	93.3	93.8	95.6	95.7	95.9	96.2	96.5
6	FINAL CONSUMPTION (6=7+8)	70.5	70.8	72.6	73.4	70.8	72.3	73.4	73.9	74.1	74.1	74.0
7	PRIVATE CONSUMPTION	52.0	50.1	51.8	54.0	51.6	51.9	52.2	52.0	51.9	51.8	51.8
	- Households	51.1	49.2	50.8	52.8	50.5	50.8	51.1	50.9	50.8	50.7	50.7
	- NPISH's	0.9	0.9	0.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
8	GOVERNMENT CONSUMPTION	18.5	20.7	20.8	19.5	19.2	20.4	21.2	21.9	22.2	22.3	22.2
9	GROSS CAPITAL FORMATION (9=10+11)	20.8	20.2	21.8	24.6	22.5	21.5	22.2	21.9	21.8	22.1	22.5
10	GROSS FIXED CAPITAL FORMATION	19.8	19.0	20.2	22.0	21.6	20.9	20.6	20.6	20.6	20.9	21.3
11	CHANGES IN INVENTORIES AND VALUABLES	1.1	1.2	1.6	2.6	0.9	0.6	1.6	1.2	1.2	1.2	1.2

Source: SURS, forecasts by IMAD.

Table 6a: Gross domestic product by expenditures

EUR million

		constant previous year prices						constant 2024 prices				
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**47,056.0**	**46,189.3**	**50,672.6**	**53,420.9**	**58,233.0**	**65,159.0**	**67,928.7**	**69,322.2**	**70,817.1**	**72,330.2**	**73,879.4**
2	EXPORTS OF GOODS AND SERVICES	40,644.6	37,157.9	41,749.3	46,790.1	52,622.6	54,690.7	54,437.3	55,943.5	57,672.4	59,049.2	60,932.0
3	IMPORTS OF GOODS AND SERVICES	36,661.8	33,125.2	38,137.0	44,391.9	50,138.6	51,246.4	51,595.2	53,205.1	54,990.6	56,626.5	58,704.9
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	3,982.8	4,032.7	3,612.3	2,398.3	2,484.1	3,444.3	2,842.1	2,738.3	2,681.8	2,422.7	2,227.1
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	43,073.2	42,156.5	47,060.3	51,022.6	55,749.0	61,714.7	65,086.6	66,583.9	68,135.3	69,907.4	71,652.2
6	FINAL CONSUMPTION (6=7+8)	33,235.5	32,770.7	36,334.8	38,766.8	41,997.8	47,490.9	49,745.5	51,054.6	52,248.5	53,426.2	54,577.9
7	PRIVATE CONSUMPTION	24,703.8	23,508.6	26,051.3	27,995.3	30,684.7	34,284.3	35,772.9	36,545.7	37,410.2	38,283.9	39,140.5
	- Households	24,288.5	23,092.1	25,580.5	27,406.9	30,060.9	33,569.7	35,015.9	35,775.7	36,627.2	37,487.6	38,330.7
	- NPISH's	415.3	416.5	470.8	588.4	623.8	714.6	757.1	769.9	783.0	796.3	809.9
8	GOVERNMENT CONSUMPTION	8,531.7	9,262.1	10,283.5	10,771.5	11,313.1	13,206.6	13,972.6	14,508.9	14,838.3	15,142.3	15,437.4
9	GROSS CAPITAL FORMATION (9=10+11)	9,837.8	9,385.9	10,725.6	12,255.9	13,751.2	14,223.8	15,341.1	15,529.3	15,886.8	16,481.3	17,074.3
10	GROSS FIXED CAPITAL FORMATION	9,316.6	8,831.4	9,950.6	11,007.0	13,194.8	13,796.7	14,224.5	14,645.0	15,011.2	15,573.9	16,157.8
11	CHANGES IN INVENTORIES AND VALUABLES	521.1	554.5	774.9	1,248.9	556.3	427.1	1,116.6	884.3	875.7	907.3	916.5

Source: SURS, forecasts by IMAD.

Table 6b: Gross domestic product by expenditures

Real growth rates in %

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**3.5**	**-4.1**	**8.4**	**2.7**	**2.4**	**1.7**	**0.8**	**2.1**	**2.2**	**2.1**	**2.1**
2	EXPORTS OF GOODS AND SERVICES	4.5	-8.5	14.1	7.4	-1.9	2.3	-0.2	2.8	3.1	2.4	3.2
3	IMPORTS OF GOODS AND SERVICES	4.7	-9.1	17.8	9.3	-4.5	4.3	2.4	3.1	3.4	3.0	3.7
4	*EXTERNAL BALANCE OF GOODS AND SERVICES*[1]	*0.2*	*-0.3*	*-1.3*	*-1.0*	*2.4*	*-1.3*	*-2.0*	*-0.2*	*-0.1*	*-0.4*	*-0.3*
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	3.6	-4.1	10.6	3.9	0.0	3.3	2.9	2.3	2.3	2.6	2.5
6	FINAL CONSUMPTION (6=7+8)	4.6	-3.5	9.8	2.6	0.5	4.8	2.1	2.6	2.3	2.3	2.2
7	PRIVATE CONSUMPTION	5.5	-6.1	11.3	3.9	0.0	3.8	2.2	2.2	2.4	2.3	2.2
	- Households	5.5	-6.2	11.2	3.6	0.0	3.8	2.2	2.2	2.4	2.3	2.2
	- NPISH's	2.9	-2.9	14.2	22.3	-1.0	6.0	1.7	1.7	1.7	1.7	1.7
8	GOVERNMENT CONSUMPTION	1.9	4.1	6.2	-0.6	2.1	7.3	1.6	3.8	2.3	2.0	1.9
9	GROSS CAPITAL FORMATION (9=10+11)	0.4	-6.5	13.7	8.1	-1.6	-1.3	5.7	1.2	2.3	3.7	3.6
10	GROSS FIXED CAPITAL FORMATION	4.9	-7.2	11.9	4.7	5.5	-0.3	0.8	3.0	2.5	3.7	3.7
11	*CHANGES IN INVENTORIES AND VALUABLES*[1]	*-0.9*	*0.1*	*0.5*	*0.8*	*-1.6*	*-0.2*	*1.0*	*-0.3*	*0.0*	*0.0*	*0.0*

Source: SURS, forecasts by IMAD.
Note: [1] Contribution to real GDP growth (percentage points).

Table 7: Balance of payments - balance of payments statistics

EUR million

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
I. CURRENT ACCOUNT	**3,105**	**3,423**	**1,807**	**-529**	**3,043**	**3,062**	**1,839**	**1,609**	**1,443**	**1,033**	**754**
1. GOODS	1,298	2,175	743	-2,367	568	401	-765	-989	-1,199	-1,656	-2,112
1.1. Exports of goods	31,999	29,464	35,116	42,420	41,556	42,137	41,941	43,042	44,606	45,812	47,558
1.2. Imports of goods	30,701	27,289	34,373	44,787	40,988	41,736	42,706	44,030	45,805	47,469	49,669
2. SERVICES	2,909	1,919	2,204	3,512	3,658	3,729	3,814	4,085	4,362	4,669	4,998
2.1. Exports	8,660	6,990	8,476	11,291	11,972	12,521	13,244	14,101	14,971	15,897	16,882
- Transport	2,512	2,316	2,658	3,424	3,311	3,528	3,757	3,966	4,179	4,403	4,639
- Travel	2,843	1,237	1,685	2,972	3,304	3,339	3,522	3,714	3,908	4,111	4,326
- Other	3,305	3,437	4,133	4,895	5,357	5,654	5,965	6,420	6,884	7,382	7,916
2.2. Imports	5,751	5,070	6,272	7,779	8,314	8,792	9,430	10,016	10,609	11,228	11,884
- Transport	1,185	1,128	1,553	1,923	1,589	1,793	1,886	1,991	2,098	2,210	2,329
- Travel	1,500	805	1,173	1,833	2,435	2,544	2,741	2,879	3,019	3,154	3,295
- Other	3,066	3,137	3,546	4,023	4,290	4,455	4,803	5,146	5,493	5,864	6,261
1., 2. EXTERNAL BALANCE OF GOODS AND SERVICES	**4,206**	**4,094**	**2,947**	**1,145**	**4,226**	**4,130**	**3,049**	**3,096**	**3,162**	**3,012**	**2,886**
Exports of goods and services	40,659	36,453	43,592	53,711	53,528	54,658	55,185	57,143	59,577	61,709	64,439
Imports of goods and services	36,453	32,359	40,644	52,566	49,302	50,528	52,136	54,047	56,415	58,697	61,553
3. PRIMARY INCOME	**-617**	**-130**	**-513**	**-978**	**-707**	**-760**	**-645**	**-891**	**-1,053**	**-1,206**	**-1,315**
3.1. Receipts	1,660	1,636	1,968	2,016	3,006	3,334	3,125	3,069	3,155	3,279	3,491
- Compensation of employees	526	570	598	615	669	739	755	760	770	780	790
- Investment	846	714	1,002	1,102	2,108	2,360	2,049	1,908	1,937	2,055	2,195
- Other primary income	288	351	368	299	229	235	321	401	448	443	506
3.2. Expenditure	2,276	1,766	2,482	2,993	3,713	4,094	3,770	3,960	4,209	4,485	4,806
- Compensation of employees	195	178	202	234	284	334	355	390	430	460	485
- Investment	2,010	1,508	2,182	2,633	3,327	3,659	3,192	3,376	3,572	3,816	4,111
- Other primary income	71	79	98	126	102	101	223	194	207	209	210
4. SECONDARY INCOME	**-484**	**-541**	**-626**	**-697**	**-477**	**-309**	**-566**	**-597**	**-666**	**-773**	**-816**
4.1. Receipts	1,002	1,060	1,157	1,325	1,736	1,987	1,766	1,932	1,876	1,788	1,775
4.2. Expenditure	1,486	1,601	1,783	2,021	2,213	2,295	2,332	2,528	2,541	2,562	2,592
II. CAPITAL ACCOUNT	**-210**	**-233**	**180**	**-120**	**14**	**26**					
1. Non-produced non-financial assets	-59	-96	-86	-198	-378	1					
2. Capital transfers	-152	-138	266	78	392	25					
III. FINANCIAL ACCOUNT	**2,014**	**3,917**	**2,020**	**-1538**	**2,349**	**2411**					
1. Direct investment	-762	262	-414	-1416	-598	-368					
- Assets	1,157	708	1,442	767	801	1354					
- Liabilities	1,919	446	1,856	2183	1,399	1722					
2. Portfolio investment	734	-1,079	2,835	44	-196	3565					
3 Financial derivatives	-163	53	30	-79	138	-167					
4. Other investment	2,168	4,515	-1,255	-256	3,004	-947					
4.1. Assets	3,274	5,020	3,113	3170	6,148	-1353					
4.2. Liabilities	1,106	505	4,367	3426	3,144	-406					
5. Reserve assets	37	166	824	168	2	329					
IV. NET ERRORS AND OMISSIONS	**-881**	**727**	**33**	**-889**	**-708**	**-677**					

Source: BoS, forecasts by IMAD.

Note: The Slovenian Balance of Payments and International Investment Position conforms to the methodology of the the IMF's 'Balance of Payments and International Investment Position Manual' (2009).

Table 8: Labour market

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
LABOUR SUPPLY											
Activity rate (20-64 years, in %)	79.9	79.6	79.8	81.1	80.2	81.0	80.5	80.7	80.9	81.0	80.9
Active population (ILO definition - in thousands)	1,028	1,029	1,020	1,027	1,027	1,037	1,026	1,026	1,027	1,027	1,026
- yearly growth (in %)	-0.6	0.1	-0.9	0.7	0.0	1.0	-1.1	0.0	0.1	0.0	-0.1
EMPLOYMENT AND UNEMPLOYMENT											
Employment (National accounts concept, in thousands)	1,045.7	1038.4	1,051.9	1,082.6	1,098.7	1,103.9	1,102.0	1,103.4	1,104.6	1,104.5	1,103.2
- yearly growth (in %)	2.4	-0.7	1.3	2.9	1.5	0.5	-0.2	0.1	0.1	0.0	-0.1
Employment (ILO concept, in thousands)	983.0	978.0	972.0	986.0	989.0	998.0	988.4	988.4	989.5	989.4	988.2
- yearly growth (in %)	0.2	-0.5	-0.6	1.4	0.3	0.9	-1.0	0.0	0.1	0.0	-0.1
Employment rate (20-64 yeras, in %)	76.4	76	76.1	77.9	77.5	78.3	77.8	77.9	78.2	78.2	78.2
Formal employment (statistical register, in thousands) *	894.2	888.9	900.3	922.0	933.7	944.0	943.9	945.5	946.6	946.8	946.0
- yearly growth (in %)	2.5	-0.6	1.3	2.4	1.3	1.1	0.0	0.2	0.1	0.0	-0.1
Paid employment (in thousands)	801.9	794.6	804.4	824.1	833.4	841.3	839.4	840.9	842.0	842.2	841.2
- yearly growth (in %)	2.8	-0.9	1.2	2.4	1.1	0.9	-0.2	0.2	0.1	0.0	-0.1
Self employed (in thousands)	92.3	94.3	95.8	97.9	100.4	102.7	104.5	104.6	104.6	104.6	104.4
- yearly growth (in %)	-0.3	2.1	1.6	2.1	2.6	2.3	1.7	0.1	0.1	0.0	-0.1
Unemployment (ILO concept, in thousands)	46.0	51.0	48.0	41.0	38.0	38.0	36.5	36.3	36.3	36.3	36.2
- yearly growth (in %)	-13.2	10.9	-5.9	-14.6	-7.3	0.0	-4.0	-0.4	-0.2	-0.1	-0.1
Unemployment (registered, in thousands)	74.2	85.0	74.3	56.7	48.7	46.0	45.1	44.5	43.9	43.5	43.0
- yearly growth (in %)	-5.5	14.6	-12.6	-23.8	-14.0	-5.6	-2.0	-1.4	-1.2	-1.1	-1.1
Unemployment rate (ILO concept, in %)	4.5	5.0	4.8	4.0	3.7	3.7	3.6	3.6	3.5	3.5	3.5
Unemployment rate (registered, in %)	7.7	8.7	7.6	5.8	5.0	4.6	4.6	4.5	4.4	4.4	4.3

Source: SURS, ESS, Eurostat, forecasts by IMAD.
Note: * According to the Statistical Register of Employment, including the estimate of self employed farmers.

Table 9: Indicators of international competitiveness

annual growth rates in %

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
Effective exchange rate[1]											
Nominal	-0.5	0.6	0.0	-1.7	0.8	0.2	0.7	0.5	0.0	0.0	0.0
Real - based on consumer prices	-0.4	-0.5	-0.4	-0.4	2.4	-0.1	1.0	0.7	0.4	0.3	0.1
Real - based on ULC in economy as a whole	1.0	3.9	0.7	-0.7	3.2	-0.3	2.9	2.1	1.1	0.7	-0.2
Unit labour costs components											
Nominal unit labour costs	4.2	7.5	0.9	5.2	8.7	4.9	5.6	3.7	3.2	2.8	1.8
Compensation of employees per employee	5.2	3.8	8.0	4.9	9.6	6.2	6.6	5.7	5.4	5.0	4.1
Labour productivity, real[2]	1.0	-3.4	7.0	-0.2	0.9	1.3	0.9	1.9	2.0	2.1	2.3
Real unit labour costs	1.8	6.2	-1.7	-1.2	-1.2	1.4	2.1	0.8	0.6	0.3	-0.4
Labour productivity, nominal[3]	3.4	-2.3	9.9	6.2	11.0	4.8	4.4	4.9	4.8	4.8	4.5

Source: SURS, ECB, Consensus Forecasts, Focus Forecasts, OECD; calculations, forecasts for Slovenia by IMAD.
Note: [1] Harmonised effective exchange rate - 37 group of trading partners; 18 extra Euro area and 19 Euro area countries. [2] GDP per employee (in constant prices).
[3] GDP per employee (in current prices).

Table 10a: Consolidated general government revenues; GFS - IMF Methodology

EUR million, current prices

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2017	2018	2019	2020	2021	2022	2023	2024
I. TOTAL GENERAL GOVERNMENT REVENUES	**16,803**	**18,594**	**19,232**	**18,529**	**21,383**	**23,311**	**25,035**	**27,918**
TAX REVENUES	**15,162**	**16,225**	**17,179**	**16,460**	**18,786**	**20,557**	**21,977**	**24,547**
TAXES ON INCOME AND PROFIT	2,967	3,296	3,614	3,262	3,981	4,517	4,601	5,540
Personal income tax	2,197	2,447	2,592	2,487	2,845	2,944	3,192	3,604
Corporate income tax	766	846	997	773	1,115	1,553	1,393	1,908
SOCIAL SECURITY CONTRIBUTIONS	6,092	6,550	7,021	7,290	7,928	8,504	9,258	10,557
TAXSES ON PAYROLL AND WORKFORCE	21	22	23	22	24	27	28	32
TAXES ON PROPERTY	274	278	296	287	317	337	347	370
DOMESTIC TAXES ON GOODS AND SERVICES	5,723	5,989	6,127	5,493	6,359	6,884	7,509	7,831
Value added tax	3,504	3,757	3,872	3,528	4,231	4,747	5,147	5,336
Excise duties	1,585	1,560	1,543	1,314	1,470	1,446	1,659	1,668
TAXES ON INTERN. TRADE AND TRANSACTIONS	83	90	99	102	177	289	223	217
OTHER TAXES	1	0	-1	4	-1	0	11	1
NON-TAX REVENUES	**1,089**	**1,351**	**1,114**	**1,118**	**1,338**	**1,410**	**1,409**	**1,940**
CAPITAL REVENUES	91	153	136	147	228	268	288	221
DONATIONS RECEIVED	**9**	**12**	**14**	**18**	**22**	**57**	**38**	**40**
TRANSFERED REVENUES	**52**	**56**	**58**	**55**	**57**	**58**	**229**	**122**
RECEIPTS FROM THE EU BUDGET	**399**	**797**	**731**	**731**	**951**	**962**	**1,093**	**1,047**

Source: MF.

Table 10b: Consolidated general government revenues; GFS - IMF Methodology

per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2017	2018	2019	2020	2021	2022	2023	2024
I. TOTAL GENERAL GOVERNMENT REVENUES	**39.4**	**40.9**	**39.9**	**39.6**	**41.1**	**41.0**	**39.1**	**41.4**
TAX REVENUES	**35.6**	**35.7**	**35.7**	**35.2**	**36.1**	**36.1**	**34.3**	**36.4**
TAXES ON INCOME AND PROFIT	7.0	7.3	7.5	7.0	7.7	7.9	7.2	8.2
Personal income tax	5.2	5.4	5.4	5.3	5.5	5.2	5.0	5.3
Corporate income tax	1.8	1.9	2.1	1.7	2.1	2.7	2.2	2.8
SOCIAL SECURITY CONTRIBUTIONS	14.3	14.4	14.6	15.6	15.2	14.9	14.5	15.7
TAXSES ON PAYROLL AND WORKFORCE	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXES ON PROPERTY	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
DOMESTIC TAXES ON GOODS AND SERVICES	13.4	13.2	12.7	11.8	12.2	12.1	11.7	11.6
Value added tax	8.2	8.3	8.0	7.5	8.1	8.3	8.0	7.9
Excise duties	3.7	3.4	3.2	2.8	2.8	2.5	2.6	2.5
TAXES ON INTERN. TRADE AND TRANSACTIONS	0.2	0.2	0.2	0.2	0.3	0.5	0.3	0.3
OTHER TAXES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-TAX REVENUES	**2.6**	**3.0**	**2.3**	**2.4**	**2.6**	**2.5**	**2.2**	**2.9**
CAPITAL REVENUES	0.2	0.3	0.3	0.3	0.4	0.5	0.5	0.3
DONATIONS RECEIVED	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**
TRANSFERED REVENUES	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.4**	**0.2**
RECEIPTS FROM THE EU BUDGET	**0.9**	**1.8**	**1.5**	**1.6**	**1.8**	**1.7**	**1.7**	**1.6**

Source: MF, SURS.

Table 11a: Consolidated general government expenditure; GFS - IMF Methodology EUR million, current prices

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2017	2018	2019	2020	2021	2022	2023	2024
II. TOTAL EXPENDITURES	**17,102**	**18,068**	**18,969**	**22,071**	**24,300**	**24,886**	**27,308**	**28,871**
CURRENT EXPENDITURE	**7,733**	**7,966**	**8,228**	**9,128**	**10,394**	**10,283**	**11,572**	**12,910**
WAGES AND OTHER PERSONNEL EXPENDITURE	3,406	3,583	3,837	4,285	5,020	4,729	5,260	5,638
EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	533	585	634	681	730	752	833	901
PURCHASES OF GOODS AND SERVICES	2,627	2,634	2,728	3,021	3,351	3,557	3,869	4,368
INTEREST PAYMENTS	985	868	791	778	732	661	711	793
RESERVES	183	297	238	364	559	584	899	1,209
CURRENT TRANSFERS	**7,913**	**8,237**	**8,704**	**10,868**	**11,319**	**11,261**	**12,050**	**12,794**
SUBSIDIES	425	444	468	1,449	867	690	1,003	682
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	6,665	6,926	7,324	8,251	9,168	9,294	9,731	10,397
OTHER CURRENT TRANSFERS	822	867	912	1,168	1,284	1,277	1,316	1,716
CAPITAL EXPENDITURE AND TRANSFERS - TOTAL	**1,078**	**1,432**	**1,527**	**1,549**	**1,959**	**2,612**	**3,014**	**2,531**
CAPITAL EXPENDITURE	891	1,160	1,253	1,231	1,545	2,053	2,354	2,141
CAPITAL TRANSFERS	187	272	274	318	414	559	660	390
PAYMENTS TO THE EU BUDGET	**378**	**433**	**510**	**526**	**629**	**730**	**672**	**636**
III. GENERAL GOVERNMENT SURPLUS / DEFICIT (I. - II.)	**-299**	**526**	**263**	**-3,542**	**-2,917**	**-1,575**	**-2,274**	**-953**

Source: MF.

Table 11b: Consolidated general government expenditure; GFS - IMF Methodology per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2017	2018	2019	2020	2021	2022	2023	2024
II. TOTAL EXPENDITURES	**40.1**	**39.7**	**39.4**	**47.2**	**46.7**	**43.8**	**42.6**	**42.8**
CURRENT EXPENDITURE	**18.1**	**17.5**	**17.1**	**19.5**	**20.0**	**18.1**	**18.1**	**19.1**
WAGES AND OTHER PERSONNEL EXPENDITURE	8.0	7.9	8.0	9.2	9.6	8.3	8.2	8.4
EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	1.2	1.3	1.3	1.5	1.4	1.3	1.3	1.3
PURCHASES OF GOODS AND SERVICES	6.2	5.8	5.7	6.5	6.4	6.3	6.0	6.5
INTEREST PAYMENTS	2.3	1.9	1.6	1.7	1.4	1.2	1.1	1.2
RESERVES	0.4	0.7	0.5	0.8	1.1	1.0	1.4	1.8
CURRENT TRANSFERS	**18.6**	**18.1**	**18.1**	**23.3**	**21.8**	**19.8**	**18.8**	**19.0**
SUBSIDIES	1.0	1.0	1.0	3.1	1.7	1.2	1.6	1.0
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	15.6	15.2	15.2	17.7	17.6	16.3	15.2	15.4
OTHER CURRENT TRANSFERS	1.9	1.9	1.9	2.5	2.5	2.2	2.1	2.5
CAPITAL EXPENDITURE AND TRANSFERS - TOTAL	**2.5**	**3.1**	**3.2**	**3.3**	**3.8**	**4.6**	**4.7**	**3.8**
CAPITAL EXPENDITURE	2.1	2.6	2.6	2.6	3.0	3.6	3.7	3.2
CAPITAL TRANSFERS	0.4	0.6	0.6	0.7	0.8	1.0	1.0	0.6
PAYMENTS TO THE EU BUDGET	**0.9**	**1.0**	**1.1**	**1.1**	**1.2**	**1.3**	**1.0**	**0.9**
III. GENERAL GOVERNMENT SURPLUS / DEFICIT (I. - II.)	**-0.7**	**1.2**	**0.5**	**-7.6**	**-5.6**	**-2.8**	**-3.5**	**-1.4**

Source: MF, SURS.

Acronyms

APP	Asset Purchase Programme
BS	Banka Slovenije
COFOG	Classification of the Functions of Government
CPI	Consumer Price Index
EC	European Commission
ECB	European Central Bank
e.g.	For Example
EIA	U.S. Energy Information Administration
ESI	Economic Sentiment Indicator
ESS	Employment Service of Slovenia
etc.	Et Cetera
EU	European Union
EUR	Euro
EUROSTAT	The Statistical Office of the European Union
GDP	Gross Domestic Product
GFS	Government Finance Statistics
HICP	Harmonised Index of Consumer Prices
ICT	Information and Communication Technology
IFW	Institute for the World Economy
IMAD	Institute of Macroeconomic Analysis and Development
IMF	International Monetary Fund
LFS	Labour Force Survey
MF	Ministry of Finance
NACE	Standard Classification of Activities
NATO	North Atlantic Treaty Organization
NEER	Nominal Effective Exchange Rate
NEIG	Non-Energy Industrial Goods
NPISH	Non-Profit Institutions Serving Households
NULC	Nominal Unit Labour Costs
OECD	Organisation for Economic Cooperation and Development
PEEP	Pandemic Emergency Purchase Programme
PMI	Purchasing Managers' Index
p.p.	Percentage Point
PPS	Purchasing Power Standard
QUEST	Quantitative Economic Simulation Tool
REER HICP	Real Effective Exchange Rate Based on Harmonised Index of Consumer Prices
REER PPI	Real Effective Exchange Rate Based on Producer Price Index
REER ULC	Real Effective Exchange Rate Based on Unit Labour Cost
RES	Renewable Energy Resources
RMSE	Root Mean Square Error

RRP	Recovery and Resilience Plan
RULC	Real Unit Labour Costs
S&P	Standard and Poor's
SITC	Standard International Trade Classification
SNA	System of National Accounts
SURS	Statistical Office of the Republic of Slovenia
TiVA	Trade in Value-Added
UN	United Nations
US	United States of America
USD	US Dollar
WIIW	Wiener Institut für Internationale Wirtschaftsvergleiche
ZDOsk	Long Term Care Act
ZPIZ	Pension and Disability Insurance Institute of Slovenia
ZZZS	Health Insurance Institute of Slovenia

Abbreviations of the Standard Classification of Activities (SKD 2008)

A – agriculture, forestry and fishing, **B** – mining and quarrying, **C** – manufacturing, **10** – manufacture of food products, **11** – manufacture of beverages, **12** – manufacture of tobacco products, **13** – manufacture of textiles, **14** – manufacture of wearing apparel, **15** – manufacture of leather and related products, **16** – manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials, **17** – manufacture of paper and paper products, **18** – printing and reproduction of recorded media, **19** – manufacture of coke and refined petroleum products, **20** – manufacture of chemicals and chemical products, **21** – manufacture of basic pharmaceutical products and pharmaceutical preparations, **22** – manufacture of rubber and plastic products, **23** – manufacture of other non-metallic mineral products, **24** – manufacture of basic metals, **25** – manufacture of fabricated metal products, except machinery and equipment, **26** – manufacture of computer, electronic and optical products, **27** – manufacture of electrical equipment, **28** – manufacture of machinery and equipment n.e.c., **29** – manufacture of motor vehicles, trailers and semi-trailers, **30** – manufacture of other transport equipment, **31** – manufacture of furniture, **32** – other manufacturing, **33** – Repair and installation of machinery and equipment, **D** – electricity, gas, steam and air conditioning supply, **E** – water supply, sewerage, waste management and remediation activities, **F** – construction, **G** – wholesale and retail trade, repair of motor vehicles and motorcycles, **H** – transportation and storage, **I** – accommodation and food service activities, **J** – information and communication, **K** – financial and insurance activities, **L** – real estate activities, **M** – professional, scientific and technical activities, **N** – administrative and support service activities, **O** – public administration and defence, compulsory social security, **P** – education, **Q** – human health and social work activities, **R** – arts, entertainment and recreation, **S** – other service activities, **T** – activities of households as employers; undifferentiated goods- and services-producing activities of households for own use, **U** – activities of extraterritorial organisations and bodies.

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