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winter forecast of economic trends 2020

Winter Forecast of Economic Trends 2020
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Summary

The COVID-19 pandemic, in combination with strict health and containment measures, has significantly affected economic activity this year. The strict measures to contain the spread of the coronavirus have led to a pronounced contraction of economic activity globally and in Slovenia, because of the shutdown of non-essential service activities and hampered activity in other service activities in the second and last quarters of this year and, in the second quarter, also industry. Although the majority of activities recovered in the third quarter amid the relaxation of most health protection measures, economic activity remained 6% below last year's level in the first nine months of the year. To alleviate the negative consequences of the epidemic, comprehensive packages of measures have been adopted at the national level and by the ECB and the European Commission to help businesses and citizens mitigate the loss of income, provide liquidity, and to support a rebound of economic activity. Because of a deterioration in epidemiological and economic conditions in the last quarter, when a renewed contraction of economic activity is expected, these measures continue to be supplemented. They are significantly mitigating the decline in economic activity and are vital for a restart of activity.

At the transition to the last quarter, the recovery of economic activity was also interrupted in the euro area. In October the rapid spread of infections led to a reinstatement of stringent containment measures in many euro area countries. The most recent economic indicators suggest that in the last quarter of the year the recovery of activity and sentiment in the euro area has come to a halt in service activities, while activity in manufacturing continues to grow, albeit at a somewhat slower pace. In our forecast we took into account international institutions' latest forecasts for Slovenia's trading partners (published by 4 December), which assume that with the gradual easing of containment measures, economic activity could start recovering next year but will not return to pre-epidemic levels until 2022. The depth of this year's decline and the speed of the recovery in 2021 and 2022 will vary significantly across EU countries, reflecting not only the severity of the epidemic and the strictness of containment measures, but also differences in economic structures and domestic policy responses. The recovery in the next two years will be limited, given the ongoing fight against the epidemic and persisting uncertainty. On the other hand, it will be supported by comprehensive financial packages agreed at the EU level, increased public investment and government support for individuals and businesses, and accommodative monetary policies. The rapid introduction and widespread use of an effective vaccine or rapid progress in medical treatments would, however, significantly enhance the possibilities for higher economic growth in 2021.

In the Winter Forecast we project a 6.6% decline in GDP for 2020. After a deep fall in the second quarter, the economy recovered even more than expected in the third quarter. Based on the available high-frequency data and confidence indicators for October and November, we estimate that the economic impact of the second wave of the epidemic and of the comprehensive protection and containment measures in the last quarter of 2020 will be concentrated mainly on the service sector and less on activities integrated into international trade. In most sectors the decline will be smaller than in the spring, partly due to the adaptation of businesses and consumers to the new reality. An equal or greater decline is expected for catering and accommodation and entertainment, sports, recreational and personal services. Given the strong recovery in the third quarter, the decline in GDP in the year as a whole is set to be similar to that forecast in the autumn, despite the renewed deterioration in epidemiological conditions in the last quarter. The contraction of total economic activity will arise from a fall in value added in most activities, which will be most pronounced in catering, recreational, sports, cultural and personal services and hotel accommodation. A somewhat smaller, yet still significant, fall is also expected in transportation, trade and manufacturing activities. Owing to negative external impacts and containment measures at home and abroad, we expect a significant decline in exports and imports this year. Due to lower demand and the high level of uncertainty that also affects investment decisions, corporate investment will also shrink, both in buildings and machinery and equipment. Public investment is expected to strengthen slightly this year. A fall in inventories will also have a significant negative impact on GDP growth. Due to limited movement and supply during the quarantine, when spending was not possible, increased uncertainty and precautionary saving, private consumption will also drop strongly, although disposable income will remain similar to that last year due to the government's support measures. On the other hand, government consumption will strengthen in the crisis conditions. In the autumn forecast we estimated that the measures adopted by September had mitigated the decline in GDP in 2020 by at least three percentage points. Additional measures, mainly aimed at supporting the labour market, businesses and the health care system, will reinforce this effect somewhat, while also creating the conditions for increased activity next year.

In the current epidemiological situation we estimate that a faster economic recovery could be possible only from the second quarter of 2021 onwards, but overall economic activity will not reach pre-epidemic levels until 2022. Given the epidemiological conditions during the winter months, we estimate that the stringent restrictions will only be lifted gradually. The recovery will therefore be delayed into the second quarter of next year. Economic growth in 2021 (at 4.3%) will consequently be lower than predicted in our Autumn Forecast (5.1%). With the retention of some restrictions in Slovenia and its trading partners, the recovery will be gradual and differentiated across sectors. The pace of recovery will continue to depend mainly on the epidemiological situation, the speed at which a vaccine is introduced and the response of policies through measures to mitigate the consequences of the epidemic and restart the economy. We expect that government support will continue to play a key role in creating the conditions for a gradual recovery of the economy by preserving measures to support the labour market and boosting public investment, for which EU funds will also be available. It is essential, however, that financial support not only buffers business cycle fluctuations but also to the greatest possible extent addresses future developmental challenges. In 2021, we expect growth in international trade and investment, particularly in planned government construction projects, further growth in housing investment and – with some delay – also in machinery and equipment. Private consumption will also increase with growth in disposable income, while the savings rate will gradually decline but remain high due to uncertainty. Growth in government consumption will remain similar to this year. Assuming a gradual stabilisation of economic conditions, we expect 4.4% economic growth in 2022, which is slightly higher than predicted in the Autumn Forecast due to a delayed recovery. In 2020, most activities could reach the levels seen before the epidemic. However, a slower recovery is expected especially for tourism-related activities.

After deteriorating this year, labour market conditions are set to improve somewhat gradually up to the end of the forecast period. The impact of the epidemic and containment measures on the labour market due to a fall in activity was most pronounced in the second quarter of 2020 (a decline in employment and an increase in unemployment). Over the rest of the year, these negative impacts have been considerably mitigated by the adoption and extension of intervention measures to preserve jobs. Employment is expected to be 1.2% lower this year, while the number of unemployed will be around 15% higher. Given the deteriorated epidemiological conditions and the current closure of many activities, the recovery of the labour market will be delayed into the second half of next year, assuming a slow improvement in the situation. With expected growth in economic activity, the improvement should continue in 2022. We anticipate government measures continuing to mitigate the negative consequences on the labour market, particularly in the first half of 2021, and being lifted only gradually.

The decline in economic activity and lower demand this year are also affecting price movements; a gradual increase in prices is therefore not expected until next year. This year the overall price level will stagnate on average compared with last year, mainly due to lower prices of energy. Price growth in most other goods and services has also slowed in comparison with previous years. Assuming a gradual recovery of the economy, energy price growth will significantly contribute to moderate price growth in 2021. In 2022, inflation is set to approach 2%, partly due to higher growth in services prices related to the further recovery.

The greatest risk to the realisation of the forecast is still associated with the epidemiological situation in Slovenia and its most important trading partners; another important factor is a gradual and well-planned lifting of measures for mitigating the consequences of the epidemic. There are also some upside risks to the forecast for next year's economic growth. A longer and stronger second wave of infections with stricter containment measures or possible new waves of infections and thus further major closures of economies pose the greatest risk to a stable recovery. A prolonged retention or reintroduction of stringent containment measures would further affect particularly service activities. In the event of a major closure of activities, the consequences would also be felt in industry. However, in deteriorated economic conditions, any precipitate removal of measures for mitigating the consequences of the epidemic could lead to higher unemployment and more companies facing difficulties in pursuing their activities. Liquidity problems of some companies could turn into long-term insolvency, which would increase the number of bankruptcies. The banking sector could be affected due to an increase in non-performing loans. All of this would also be reflected in a slower recovery. However, in the event of a faster permanent improvement in epidemiological conditions or faster-than-expected availability of a vaccine or medicine for fast widespread use, activity could also recover more rapidly than predicted.

Forecast of Slovenia's main macroeconomic aggregates

		Winter Forecast (December 2020)		
	2019	2020	2021	2022
GDP				
GDP, real growth in %	3.2	**-6.6**	**4.3**	**4.4**
GDP, nominal growth in %	5.5	**-5.0**	**5.4**	**6.2**
GDP in EUR billion, current prices	48.4	**46.0**	**48.4**	**51.4**
Exports of goods and services, real growth in %	4.1	**-12.1**	**7.6**	**8.6**
Imports of goods and services, real growth in %	4.4	**-13.9**	**9.3**	**9.5**
External balance of goods and services (contribution to growth in p.p.)	*0.1*	***0.4***	***-0.5***	***0.0***
Private consumption, real growth in %	4.8	**-9.6**	**4.1**	**4.6**
Government consumption, real growth in %	1.7	**2.4**	**2.4**	**1.6**
Gross fixed capital formation, real growth in %	5.8	**-5.9**	**10.0**	**8.5**
Change in inventories and valuables (contribution to growth in p.p.)	*-0.8*	***-1.3***	***0.3***	***0.0***
EMPLOYMENT, WAGES AND PRODUCTIVITY				
Employment according to the SNA, growth in %	2.5	**-1.2**	**-0.1**	**1.0**
Number of registered unemployed, annual average, in '000	74.2	**85.2**	**90.2**	**81.9**
Registered unemployment rate in %	7.7	**8.7**	**9.2**	**8.4**
ILO unemployment rate in %	4.5	**5.1**	**5.4**	**4.9**
Gross wages per employee, nominal growth in %	4.3	**5.1***	**1.4***	**1.9***
Labour productivity (GDP per employee), real growth in %	0.7	**-5.5**	**4.4**	**3.3**
BALANCE OF PAYMENTS STATISTICS				
Current account BALANCE in EUR billion	2.7	**3.4**	**3.1**	**3.0**
- as a % of GDP	5.6	**7.3**	**6.4**	**5.9**
PRICES AND EFFECTIVE EXCHANGE RATE				
Inflation (Dec/Dec), in %	1.8	**-0.9**	**1.6**	**1.8**
Inflation (annual average) in %	1.6	**0.0**	**0.6**	**1.9**
Real effective exchange rate deflated by unit labour costs	1.2	**3.2**	**-0.6**	**-0.7**
ASSUMPTIONS				
Foreign demand (imports of trading partners), real growth in %	0.0	**-11.2**	**6.4**	**5.2**
GDP in the euro area, real growth in %	1.3	**-7.5**	**3.7**	**3.3**
Brent Crude oil price in USD/barrel	64.3	**40.9**	**43.4**	**45.3**
Non-energy commodity prices in USD, growth	-3.6	**1.5**	**5.0**	**2.5**
USD/EUR exchange rate	1.120	**1.138**	**1.180**	**1.180**

Source: Year 2019 SURS, BoS, ECB, EIA; 2020–2022 forecasts by IMAD. Note: *The Winter Forecast takes into account the methodological specifics regarding the reporting of wages (which do not include compensation paid by the government), which affects the movement of wages as shown by statistical data in 2020, 2021 and 2022. The forecasts for gross wages in this forecast and our other forecasts or scenarios (except the Summer and Autumn Forecasts) are therefore not directly comparable.

The Winter Forecast of Economic Trends is based on statistical data, information and adopted measures known at the cut-off date of 4 December 2020.

winter forecast
of economic trends 2020

1 Assumptions of the Winter Forecast of Economic Trends 2020

At the transition to the last quarter, the recovery of economic activity in the euro area was interrupted because of the tightening of containment measures due to a significant increase in the number of COVID-19 infections. The COVID-19 pandemic had a negative impact on all GDP components in the first half of the year. Private consumption was affected the most, as consumer spending, particularly on services and durable goods, was heavily disrupted in the spring, which has led to an accumulation of forced savings and an increase in precautionary savings. Investment also dropped strongly in the first half of the year, as enterprises and households postponed or halted investment due to the hampered economy and markedly increased uncertainty. Following a sharp fall in the second quarter (-11.7% q-o-q, according to seasonally adjusted data or -14.8 % y-o-y, according to original data), economic activity recovered in the third quarter (12.5% q-o-q) due to a gradual lifting of containment measures and considerable support of monetary and fiscal policy and the year-on-year decline decreased considerably (-4.3 %). Private consumption picked up in the third quarter, reflecting partially compensated demand and sizeable financial support to the purchasing power of households, but towards the end of the year the recovery was interrupted by the second wave of the pandemic and the introduction of more stringent containment measures. The rapid increase in the number of infections in many euro area countries led to a reintroduction of stringent containment measures in October. According to the latest economic indicators, in the last quarter the recovery of economic activity and sentiment in the euro area has come to a halt in service activities, while activity in manufacturing continues to grow, albeit at a somewhat slower pace. Among expenditure aggregates, the resurgence of the epidemic is expected to have the largest negative impact on private consumption and investment, but it will be smaller than in the spring as countries have adopted less stringent containment measures. Also, many businesses have adapted their operations since the spring, while consumers are increasingly shopping online.

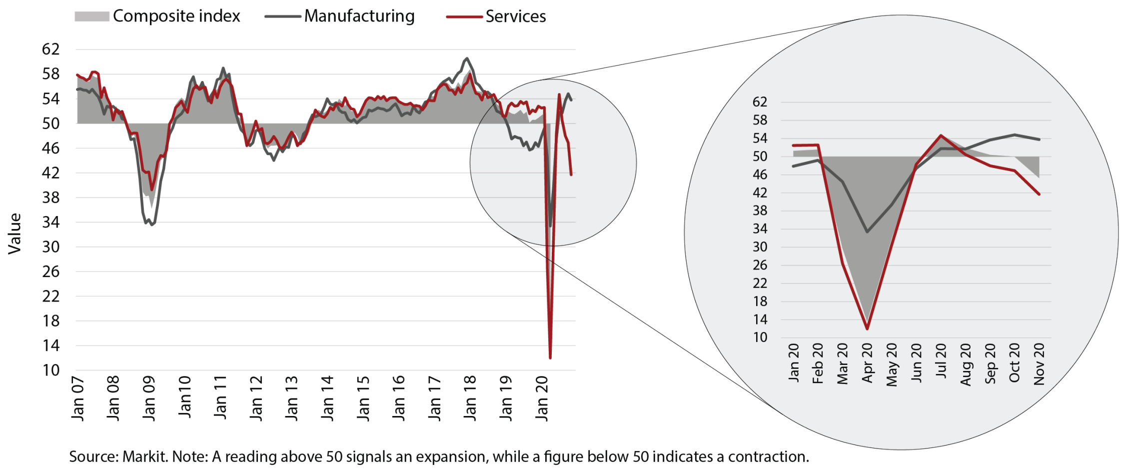
International institutions expect a recovery of all components of economic growth in the euro area in the next two years. Most international institutions assume that, amid a gradual easing of containment measures, the recovery of economic activity will be shifted into 2021. Gradual growth will follow, but the economic activity is not expected to return to pre-epidemic levels before 2022. Euro area GDP will contract by around 7.5% this year before recovering at growth rates of 3.5% and 3.3% in the next two years, respectively. The depth of this year's decline and the speed of the recovery in 2021 and 2022 will vary significantly across EU countries, reflecting not only the severity of the epidemic and the strictness of containment measures, but also differences in economic structures and domestic policy responses. The recovery of economic activity in the next two years will remain limited, given the ongoing fight against the epidemic and persisting uncertainty. On the other hand, it will be supported by comprehensive financial packages agreed at the EU level, increased public investment and government support for individuals and businesses, and accommodative monetary policies. Next year private consumption will also rebound relatively strongly, as households will be gradually releasing accumulated savings amid lower uncertainty. The crisis has also significantly affected the euro area's external trade, as a sudden and synchronised drop in global demand interacted with supply-side constraints due to lockdowns, border closures, travel bans and internal restrictions to mobility. The shock on euro area countries was further amplified by their high integration into global value chains. Reflecting uncertainty, trade tensions and continued restrictions to cross-border mobility and tourism, foreign demand for the euro area's goods and services will rebound only partially in the forecast period. The contribution from net exports to the recovery in the euro area will therefore be modest in the next two years. Rapid progress in medical treatments or vaccines would, however, significantly improve the prospects of higher economic growth in 2021.

Table 1: Assumptions of the forecast for economic growth in Slovenia's main trading partners

		2020		2021		2022
Real GDP growth rates, in %	2019	September 2020	December 2020	September 2020	December 2020	December 2020
EU	1.5	-7.0	**-7.1**	5.2	**3.6**	**3.3**
Euro area	1.3	-7.4	**-7.5**	5.6	**3.7**	**3.3**
Germany	0.6	-5.8	**-5.5**	4.5	**3.0**	**3.3**
Italy	0.3	-8.6	**-9.1**	5.7	**4.3**	**3.2**
Austria	1.4	-5.8	**-8.0**	4.4	**2.5**	**2.3**
France	1.5	-8.8	**-9.1**	7.1	**5.8**	**3.3**
Croatia	2.9	-9.7	**-9.4**	6.2	**5.0**	**3.7**
Russia	1.3	-6.6	**-4.3**	4.1	**2.8**	**2.2**

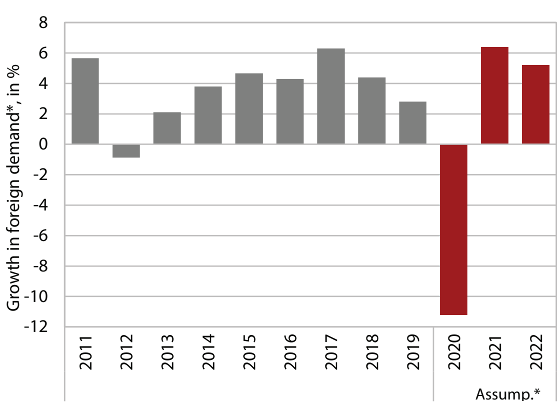
Source: for 2019, Eurostat; for other years, Consensus Forecasts, November 2020; Eastern Consensus Forecasts, November 2020; EC Autumn Forecast, November 2020; Focus Economics Consensus Forecast, Central & Eastern Europe, December 2020; Focus Economics Consensus Forecast, Euro Area, December 2020; IMF World Economic Outlook, October 2020; OECD Economic Outlook, December 2020; WIIW Autumn Forecast Report, November 2020; IMAD estimate.

Figure 1: Indicators of confidence in the euro area in recent months indicate a deterioration particularly in services



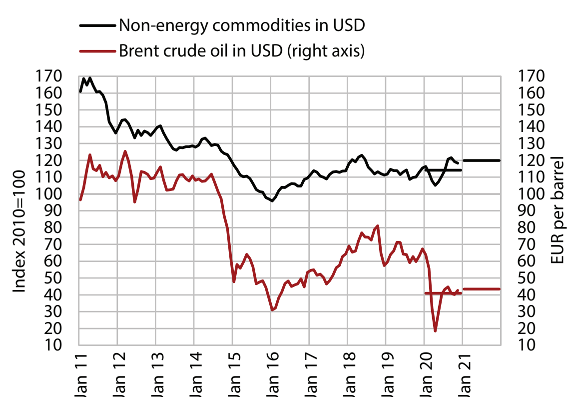
Source: Markit. Note: A reading above 50 signals an expansion, while a figure below 50 indicates a contraction.

Figure 2: After this year's sharp fall, we assume a recovery in foreign demand for Slovenian exports



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

Figure 3: Oil and non-energy commodity prices



Source: ECB, EIA; calculations by IMAD. Note: The line indicates the annual average taking into account the assumption of the forecast for 2020 and 2021.

The forecast is based on the technical assumption for the oil price, which, according to market expectations, should be lower this year than in 2019, before increasing slightly in the next two years. We also took into account this year's higher dollar prices of non-energy commodities and their further increase in 2021 and 2022.[1] On the basis of price developments in the first eleven months of the year and futures prices, the technical assumption for the average Brent Crude price taken into account in the forecast for 2020 is USD 40.9 per barrel. This is a significant decline on the previous year (by 36.4 %), which is to a great extent a consequence of lower global demand for oil due to the pandemic. Taking into account the technical assumption for the EUR/USD exchange rate,[2] oil prices in euros will even fall slightly more (by 37.5%). We assumed a 1.5% increase in dollar prices of non-energy commodities this year and a further strengthening in the next two years.

[1] The oil price assumption is based on the average futures prices and the USD/EUR exchange rates between 2 and 17 November 2020. The assumption for non-energy commodity prices is based on the ECB's data available up to 17 November 2020.

[2] The assumed USD/EUR exchange rate for the period after 17 November is equal to the average exchange rate between 2 and 17 November 2020.

2 Extensive measures to mitigate the consequences of the pandemic and support the recovery of the economy

In the second wave of the epidemic, Slovenia reintroduced stringent measures to contain the spread of infections. An epidemic was first officially declared from mid-March to the end of May. To contain the spread of the epidemic, the government temporarily closed most educational institutions and banned the provision of most non-essential services. As the epidemiological situation improved, some strict containment measures already started to be lifted in April, provided that protective measures such as physical distancing, wearing a mask and disinfecting hands were observed. In September the number of infections began to rise again and wearing a mask became mandatory not only in enclosed public spaces but also outdoors if an adequate distance could not be ensured. In October, when the growth of infections became exponential, the government first tightened restrictions on gatherings in public places. This was followed by a ban on movement between regions and restrictions on certain non-essential services (e.g. in fitness centres), while wearing a mask also became mandatory outdoors and remote schooling was gradually introduced for all pupils and students. The declaration of the epidemic was followed by a night curfew, a closure of most other non-essential services (non-essential shops, bars, hotels, hair and beauty salons, etc.) and a ban on movement between municipalities. After crossing the national border, people arriving from countries with a high risk of infection who cannot show a negative coronavirus test result have been directed to quarantine at home. Since mid-November, public passenger transport has been temporarily suspended, retail sales of non-essential goods have been banned, and court hearings can be held only in some urgent cases.

The government adopted a number of measures to mitigate the negative consequences of the epidemic for the population and the economy and for its faster recovery. The main measures of the intervention legislation and the six anti-corona packages[3] to help the population involved the following: reimbursement of 80% of wage compensation to workers on temporary layoff or at home due to *force majeure,* payment of basic monthly income for the self-employed and farmers and their exemption from paying social contributions, and exemption from the payment of pension and disability insurance contributions for private sector employees who worked[4] during the first wave of the epidemic. In addition, extraordinary one-off government transfers were paid to various population groups (crisis allowances for pensioners, students, recipients of social transfers, etc.), the Health Insurance Institute of Slovenia paid sickness benefits from the first day of absence, and the circle of unemployment benefit recipients was extended. These measures remained in place until the end of May, when the end of the first wave of the epidemic was declared, with the exception of the temporary layoff measure, which was extended. The third anti-corona package additionally introduced the measure of partial subsidising of short-time work until the end of the year. The fourth anti-corona package reintroduced the reimbursement of wage compensation due to *force majeure*, which was then complemented by the fifth[5] and sixth anti-corona packages.[6] The fifth package[7] again introduced the payment of the basic monthly income for the self-employed and farmers from October to the end the year.

Support has also been provided directly to businesses. Support for businesses has been provided through the possibility of freezing advance payments of income tax, VAT and some contributions, as well as by requiring banks to grant affected borrowers a one-year moratorium on payments deriving from liabilities under loan agreements (for applications submitted by the end of 2020). The second anti-corona package was intended to provide additional liquidity to the economy through bank loans secured by a guarantee of the Republic of Slovenia, but this measure is still largely unused. The fifth package extended this scheme until mid-2021, while the sixth package raised the upper limit for loans. The third anti-corona package introduced additional support for the severely affected tourism sector in the form of vouchers for all Slovenian citizens valid until the end of 2020. The recovery of the economy should also be facilitated by the reduction of administrative barriers to the launch of important investments. At the beginning of December, the government extended the validity of tourist vouchers until the end of 2021. The sixth package also brings a partial subsidy of fixed costs for companies most affected by the epidemic.

Important steps to mitigate the negative consequences of the crisis and help the economy to recover have also been taken, or proposed, by the European Commission. To mitigate the impact of the new coronavirus pandemic, the European Commission

[3] For more detailed information on the packages adopted up until the beginning of September and for additional measures, see the Summer and the Autumn Forecast.

[4] This was the basis for the payment of a crisis allowance of EUR 200 by the employer.

[5] Act Determining Temporary Measures to Mitigate and Remedy the Consequences of COVID-19 (ZZUOOP) (available at: http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8254).

[6] Act Determining the Intervention Measures to Mitigate the Consequences of the Second Wave of COVID-19 Epidemic (ZIUOPDVE) (available at: http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8272).

[7] It also allocated resources for financing health expenditure for several purposes (to finance protection equipment, improve access to health services, cover loss of income due to vacant capacities).

allows EU Member States more flexibility in the use of funds from the current multiannual financial framework[8] and state aid. Additionally, it has also ensured resources for direct response to the COVID-19 crisis and resources from the EU Solidarity Fund, which makes it possible for Member States to quickly respond to a deterioration in socio-economic conditions due to the COVID-19 epidemic. Already in the first months of the epidemic, a EUR 540 billion financial package (3.9% of EU GDP from 2019) was also adopted to support economic recovery.[9] At the end of July, EU Member States reached a political agreement on another financial package for the recovery of the EU economy after COVID-19. The package in the overall amount of EUR 1,824.3 billion (just over 13% of EU GDP from 2019) consists of the classical multi-annual financial framework for 2021–2027 in the total amount of EUR 1,074.3 billion and an extraordinary recovery instrument ("Next Generation EU") amounting to EUR 750 billion (EUR 390 billion in grants and EUR 360 billion in loans). In November, the Council and the European Parliament reached a political agreement on the EU budget, which, together with the regulation on the multi-annual framework, has to be officially confirmed by the Member States and the European Parliament to enter into force as of 1 January 2021. Slovenia was assigned EUR 2.098 billion in grants and EUR 3.593 billion in loans under this instrument.[10] The European Commission will obtain resources for its financing by borrowing on the financial markets, but the Union will also work towards introducing new own resources.[11]

Supportive fiscal policies and the provision of liquidity to the economy and citizens via commercial banks are strongly supported by the ECB's monetary policy. It is being implemented by a comprehensive programme of securities purchases until the middle of 2021 (for now in the amount of EUR 1,500 billion or 12.6% of euro area GDP from 2019) and an increase in the volume of loans to commercial banks at exceptionally low interest rates. The ECB has also eased capital requirements for commercial banks and lowered criteria for collateral accepted for Eurosystem credit operations for the duration of the crisis, while banks should not pay dividends during this period. The ECB emphasizes that it will continue to adapt the measures to the economic situation and, if necessary, extend them until it assesses that the COVID-19 crisis is over. The ECB also cautions fiscal policy makers against a premature withdrawal of measures. Although the ECB's measures have boosted bank lending activity in the euro area and lending to enterprises on average accelerated year on year, in Slovenia the acceleration has yet to be seen.[12]

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[8] Also through the release of unspent resources and cohesion policy resources (from the structural and investment funds) – what is called the investment incentive in response to the COVID-19 outbreak to support health care systems, small and medium-sized enterprises and the labour market.

[9] Within that, EUR 240 billion in precautionary loans from the European Stability Mechanism (ESM) to support Member States in their response to the pandemic crisis, EUR 200 billion from the Pan-European Guarantee Fund of the European Investment Bank (EIB) for loans to enterprises (small and medium-sized enterprises in particular) and EUR 100 billion in the form of favourable loans from the pan-European short-time work scheme (SURE) to prevent layoffs.

[10] The "Next EU generation" instrument is based on four pillars: the Recovery and Resilience Facility (EUR 1,589 million in grants for Slovenia) to support investments and reforms essential to a lasting recovery, to improve the resilience of Member States, and to support the green and digital transitions; React EU (EUR 312 million) for investment to repair labour markets, including by providing support to small and medium-sized enterprises; the Just Transition Mechanism (EUR 129 million for regions which have had or will have higher costs due to the structural changes necessary for the transition from fossil-intensive industries to a low-carbon economy and society by 2050); and Rural Development (EUR 68 million).

[11] A new own resource, which will be based on national contributions calculated on the amount of non-recycled plastic packaging waste in individual Member States, will be introduced in 2021. Next year, the Commission will also put forward a proposal for a carbon border adjustment mechanism and a digital levy (to be introduced by 2023).

[12] Lending to households, especially in the form of consumer loans, has also been slowing down in Slovenia since the end of last year, when the Bank of Slovenia tightened the borrowing conditions for households with a binding macroprudential instrument.

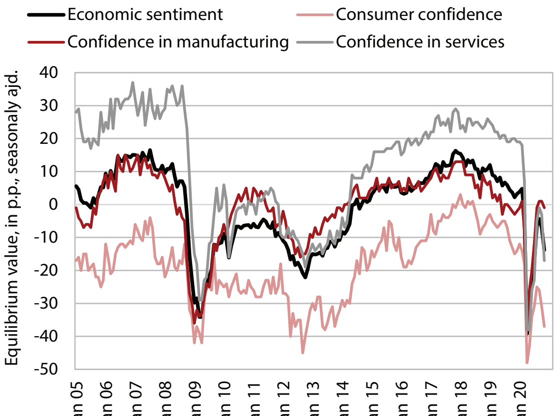
3 Winter forecast

For 2020, we project a 6.6% decline in GDP. After a deep fall in the second quarter (-13% y-o-y), the economy recovered even more than expected in the third (to -2.6% y-o-y). However, given the renewed worsening of the epidemiological situation at home and abroad and the introduction of extensive protection and containment measures in October, we expect a renewed increase in the year-on-year decline in economic activity in the last quarter. Based on the available high-frequency data and confidence indicators, we estimate that the impact will be concentrated particularly on the service sector and less on activities integrated into international trade. For now it looks like the decline in most segments will be smaller than in the spring, in part because businesses and consumers are adapting to the new reality. However, an equal or greater decline is expected in catering and accommodation and entertainment, sports, recreational and personal services. Particularly due to a strong recovery in the third quarter, the annual decline in GDP will be comparable to that predicted in the Autumn Forecast. Tight restrictions are assumed to be lifted only gradually, so the recovery is likely to be delayed into the second quarter of 2021. The expected delay in recovery in 2021 will be reflected in somewhat lower GDP growth in 2021 (4.3%) and somewhat higher GDP growth in 2022 (4.4%) than projected in the Autumn Forecast. The pre-epidemic level should thus be achieved in 2022.

This year's decline in GDP will result from a fall in value added in most sectors, given the significant contraction of activity over the duration of protection measures. This year, value added is set to decline most sharply in catering, recreational, sports, cultural and personal services and hotel accommodation. A significant fall is also expected in trade. This is mainly a consequence of the closure of most non-essential activities during the period of the most severe restrictions in the spring and in the last months of the year, and their slower recovery in the meantime due to the maintenance of certain containment measures (physical distancing and wearing masks) and self-protective behaviour. Tourist vouchers have contributed to the recovery, but they have not been able to offset the shortfall. A deep fall is also expected in manufacturing and transportation, where the decline in orders and interrupted or hampered supply chains contributed to a sharp fall in activity over the duration of the stringent containment measures in the spring. After the sharp fall in April, the stringent measures have been gradually relaxed and export-oriented manufacturing activities and international transport started to recover rapidly owing to the improvement in the international environment. Construction activity has also recovered after a deep decline in the second quarter, mainly due to infrastructure investment (which is reflected in the increased construction of civil-engineering works). Value added in manufacturing, transport and construction is set to fall again in the last quarter, although less sharply than in the spring because of less stringent restrictions in these sectors, especially abroad. This year, value added will also be negative in public services. Positive growth is expected only in certain sectors (e.g. the pharmaceutical industry and ICT equipment manufacturing).

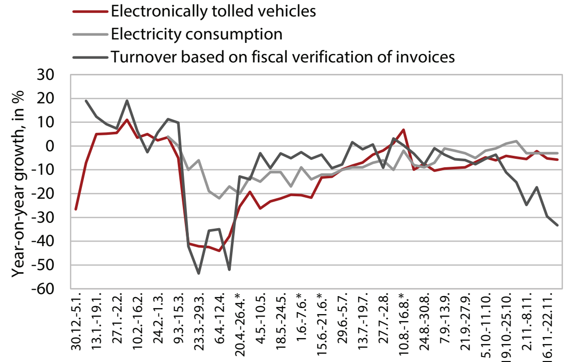
International trade will decline strongly this year. Imports and exports are severely affected mainly due to a fall in global trade, international trade barriers and containment measures at home and in the EU. In trade in most services the decline will be larger than in goods (it is likely to be most pronounced in travel), although goods trade will also drop relatively sharply mainly due to the decline in the second quarter. The deep fall in April was followed by a relatively rapid recovery in goods trade, while services trade has recovered more slowly, particularly due to a strong fall in the travel segment.

Figure 4: Business and consumer confidence in the economy is deteriorating since October after a temporary improvement



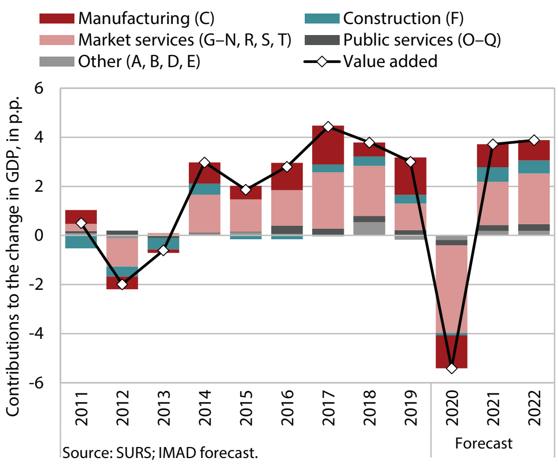
Source: SURS.

Figure 5: Electricity consumption, freight traffic and turnover based on fiscal verification of invoices indicate a smaller contraction of activity in the last quarter than in the spring



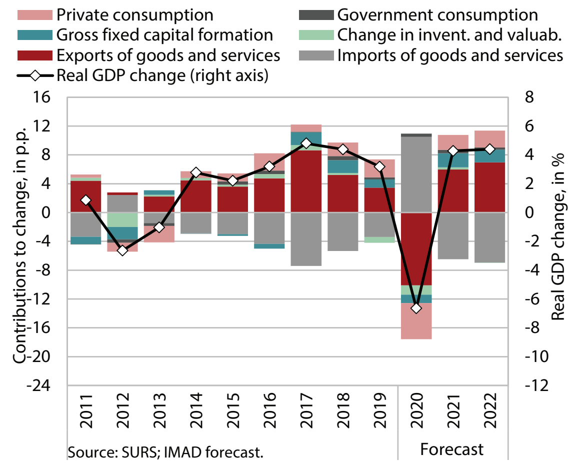
Source: DARS internal reports, ENTSO-E, Bruegel.org and FURS. Notes: *For traffic, working-day adjustment was made. For electricity only consumption on working days between 8.00 and 18.00 is considered. The percentage change is corrected for temperature.

Figure 6: Contributions of value added to the change in GDP, by activity



Source: SURS; IMAD forecast.

Figure 7: Contributions of expenditure components to the change in GDP



Source: SURS; IMAD forecast.

Table 2: Forecast of economic growth

Real growth rates, in %	2019	2020 September 2020	2020 December 2020	2021 September 2020	2021 December 2020	2022 December 2020
GDP	3.2	-6.7	**-6.6**	5.1	**4.3**	**4.4**
Exports	4.1	-12.5	**-12.1**	9.3	**7.6**	**8.6**
Imports	4.4	-12.0	**-13.9**	9.6	**9.3**	**9.5**
External balance of goods and services (contribution to growth in p.p.)	*0.1*	*-1.5*	***0.4***	*0.5*	***-0.5***	***0.0***
Private consumption	4.8	-6.6	**-9.6**	4.7	**4.1**	**4.6**
Government consumption	1.7	3.0	**2.4**	1.0	**2.4**	**1.6**
Gross fixed capital formation	5.8	-13.0	**-5.9**	11.0	**10.0**	**8.5**
Change in inventories and valuables (contribution to growth in p.p.)	*-0.8*	*0.2*	***-1.3***	*0.0*	***0.3***	***0.0***

Source: SURS; 2020–2022 forecast by IMAD.

In the third quarter, it remained approximately one quarter lower year on year. Given the deterioration in the epidemiological picture, we expect a renewed decline in trade in the last quarter, which in goods trade will be smaller than in the spring due to milder restrictions in the international environment, while in services trade it will be larger due to travel bans and the closure or limited activity of businesses.

All domestic expenditure aggregates except government consumption are set to decline in 2020. We expect a significant fall in investment and private consumption. Having declined sharply in the second quarter, consumption markedly recovered in the third, also due to the partial compensation of foregone purchases and the redemption of tourist vouchers. In the last quarter, it is set to decline again due to the re-closure of non-essential shops and services. The year-on-year decline in private consumption will be due not only to containment measures, but also to the increased uncertainty reflected in the postponement of non-essential purchases and precautionary saving, which, together with forced saving (particularly during the period of strict containment measures), will contribute to a significant increase in the savings rate. Disposable income in 2020 is otherwise expected to be similar to that in 2019, which, in addition to January's changes in the minimum wage and personal income tax, will be largely due to government measures to mitigate the loss of income of employed people as a consequence of the epidemic and solidarity bonuses paid to various population groups. Gross fixed capital formation recovered strongly in the third quarter after a considerable fall in the second and even exceeded the level from the beginning of the year. The rebound was particularly strong in investment in machinery and equipment (mainly private investment) and less so in construction investment (mainly public investment). Inventories, which had risen in the first half of the year, fell sharply in the third quarter (the negative contribution to economic growth amounted to as much as 4 p.p.), which was reflected in a strong year-on-year fall in gross investment.[13] In the last quarter, we expect a renewed decline in investment activity, albeit a much smaller one

[13] Due to a decline in inventories of finished goods in industry.

than in the second quarter due to a smaller contraction in industry, and an easing of the fall in inventories. Government consumption is increasing this year under the impact of rising employment and expenditures to contain the epidemic.[14]

With bad epidemiological conditions expected to continue at the beginning of 2021, the economic recovery will be delayed into the spring months. In 2022 the recovery will continue and most expenditure aggregates will return to pre-epidemic levels. The recovery of domestic activity and foreign demand, which will be delayed into the second quarter of 2021 due to the second wave of infections, will be supported by measures for the recovery of the economy at the national and EU levels, relatively favourable financing conditions and accommodative monetary policy. Private consumption will increase next year with growth in disposable income. The savings rate will decline gradually, reflecting lower uncertainty due to the expected improvement in epidemiological conditions and the relaxation of measures after the gradual vaccination of the population, but it will remain higher than before the epidemic. The decline in uncertainty and growth in demand will also have a favourable impact on private sector investment. We also expect growth in government investment, underpinned mainly by the launch of planned infrastructure projects financed from national and EU sources and further growth in housing investment. Inventories are set to remain unchanged next year, and due to this year's fall, they will make a positive contribution to GDP growth. Exports and imports are also expected to start recovering in 2021. Trade in goods will pick up faster, while trade in services, particularly those related to travel and leisure, will not normalise until the spread of the virus is effectively contained. Growth in government consumption will be similar to 2020 and will continue to result mainly from stronger employment and increased spending to help the health sector cope with the epidemic. With a further normalisation of the situation, the recovery will continue in 2022, with almost all consumption aggregates returning to pre-crisis levels. Only private consumption will be slightly lower than before the crisis due to a delay in recovery.

The speed of recovery will be uneven across sectors. A rapid recovery is expected in construction, where investment growth, boosted by additional EU funds from the Recovery and Resilience Facility, will already exceed the pre-crisis level of 2019 next year. Manufacturing activities are also expected to show a relatively fast recovery, which is linked to the recovery of trading partners and consequent growth in foreign demand. These activities will reach the 2019 level in 2022. The recovery of services, which have been relatively more affected by the coronavirus crisis, will be slower, as certain measures (wearing masks, physical distancing and restrictions on public gatherings) are likely to remain in place in 2021, meaning that it will be difficult to fully normalise business operations, especially in travel, catering and accommodation, and recreational, sports and cultural services. Services more closely linked to construction or economic activity in general (architectural, engineering and consultancy services) will reach pre-crisis levels faster. The growth of value added in public services will be moderate, resulting mainly from increased capacities in health and social work activities.[15]

The labour market, which is crucially dependent on the intervention measures, is expected to recover in the second half of next year. Measures to preserve jobs, which account for the bulk of the government's financial support to businesses, have made it possible that, after a marked deterioration in labour market conditions in the spring months, the number of employed persons increased somewhat in the third quarter with the relaxation of containment measures and the restart of most activities, while the number of registered unemployed fell.[16] The number of employed persons was 1.1% lower year on year in September.[17] The number of unemployed persons amounted to 84,139 at the end of November and was 16.2% higher than in the same period of 2019. Due to the extension of intervention measures of temporary layoffs and short-time work, the number of unemployed is not expected to increase significantly at the end of the year,[18] despite the reintroduction of measures to contain the virus and the shutdown of many activities. Employment is thus expected to be 1.2% lower this year,[19] while the number of unemployed will be around 15% higher. We expect the situation to remain tight at the beginning of next year and that its negative impact on the labour market will continue to be mitigated by government measures, which will be lifted only gradually. The labour market could start to recover more visibly only in the second half of 2021. In 2022, it will continue to improve.

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[14] Growth arises from growth in employment in the general government sector (1.4%), which has strengthened year on year in public administration due to the beginning of preparations for the Slovenian Presidency of the Council of the EU in 2021 and remains high in health care, while it has slowed in education. Growth in government consumption is also affected by a decline in revenues of public institutes and other general government units from the sale of goods and services for the market, which has been hampered during the epidemic (as this represents a deductible category, their decline is strengthening government consumption growth this year).

[15] New nursing homes are expected to be opened; the demand for personal assistance at home will remain very high, which will lead to further employment. This will also be a consequence of increased demand for health care services and the expected further increase in employment in social welfare institutions.

[16] At the end of September, the number of registered unemployed persons was 6.3% lower than at the end of June.

[17] The sectors with the largest declines in the number of employed remain administrative and support service activities (RST), accommodation and food service activities and manufacturing (-11.1%, -6% and -3.5% respectively).

[18] However, there is still a risk that many fixed-term contracts that will expire at the end of the year will not be renewed. The number of unemployed could therefore increase more than expected, especially in sectors where activity declined more.

[19] In the first nine months, employment (according to the National Accounts Statistics) was down 0.8% year on year.

The statistics of the average gross wage in 2020 and 2021 mainly reflect the measures to preserve jobs in combination with the methodology for calculating the average gross wage, the payment of various allowances during the epidemic and the increase in the minimum wage. In the first two months of this year, the year-on-year growth of the average wage (4.7%) was mainly influenced by the increase in the minimum wage and a general shortage of labour, while since March, wage statistics have been strongly affected by the method of calculating wages in connection with the adopted intervention measures for maintaining employment. The movements are therefore not fully comparable with those in previous months. According to wage statistics, only the part of wage compensation paid by the employer is considered as wages, and not also the part paid by the government.[20] The placement of many employed persons on temporary layoff and the measure of partial subsidising of full-time work contributed to a fall in the statistically recorded wage bill and, even more, to a fall in the number of wage recipients. This, together with allowances for work in crisis conditions, is the reason why the growth of the average gross wage has also remained high from March onwards. The inclusion of employed persons in job retention schemes amid a renewed closure of a number of activities will have a significant impact on the statistically recorded average wage this year and also next year.[21]

This year consumer prices will remain at last year's level on average, mainly due to lower energy prices, while in the next two years inflation will approach 2%, assuming a moderate economic recovery. After increasing to around 2% at the beginning of the year under the impact of higher growth in (unprocessed) food prices, inflation fell significantly following the outbreak of the epidemic, mainly due to lower energy prices. Lower year-on-year prices of oil products and electricity[22] are also the main reason for the stagnation of the overall price level (0.0 %) compared to the previous year. In other groups we can largely expect moderate price growth this year amid weak economic activity. Somewhat stronger growth will be recorded particularly for food prices, due to high prices of fresh meat related to African swine fever and higher fruit prices due to supply chain problems at the outbreak of the epidemic. With a moderate recovery of the economy, which will be delayed into the spring, inflation is expected to rise gradually in 2021 and 2022. In 2021 this will be due not only to further growth in food prices, but also to higher growth in energy prices following a strong decline in 2020, and in 2022 also to higher growth in services prices in connection with the recovery of the economy.

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[20] According to the methodology for reporting wages (the statistical survey Earnings of Persons in Paid Employment by Legal Persons), employers report the number of wage recipients and the level of wage compensation only in the amount that is paid from their resources. Wage compensation (or part of wage compensation) that is not paid by employers but by the government is not reported. The statistically recorded wage bill and the number of wage recipients can therefore be significantly lower. The actual total compensation and receipts per person are therefore higher than the reported wage bill (paid by employers) by the amount of government subsidies. These factors affect wage movements in both the public and the private sectors, but in the private sector the methodological effect of temporary layoffs is significantly higher. For a more detailed description of the impact of the methodological specifics on the average gross wage and the preparation of its forecast, see note 25 in our Autumn Forecast.

[21] The methodology also affects the estimate of the wage bill regardless of the payer (i.e. an estimate of the basis for social security contributions), which, in addition to the wage compensation paid by employers, also includes government expenditure on reimbursement of wage compensation for temporary layoffs and short-time work. It shows an increase of 4.2% in 2020 and 1.4% in 2021.

[22] To alleviate the consequences of the crisis conditions, the government lowered electricity prices for households and small businesses from the beginning of March until the end of May.

4 Risks to the forecast

The greatest risk to the realisation of the Winter Forecast is associated with the epidemiological situation in Slovenia and its most important trading partners; another important factor is a gradual and well-planned lifting of the measures to mitigate the consequences of the epidemic. A prolonged and stronger second wave of infections with more stringent containment measures or possible new waves of infections, and thus further major closures of economies, pose the greatest risk to a stable recovery, which according to the assumptions should begin in the spring months. A longer maintenance or reintroduction of stringent containment measures would further affect particularly service activities. In the event of a major closure of activities, the consequences would also be felt in industry. However, in deteriorated economic conditions, a premature removal of measures to mitigate the consequences of the epidemic could lead to higher unemployment and more companies facing difficulties in pursuing their activities. Liquidity problems of some companies could turn into long-term insolvency, which would increase the number of bankruptcies. The banking sector could be affected due to an increase in non-performing loans. A further negative risk to economic growth in Slovenia is related to a greater-than-assumed increase in barriers to trade between the UK and the EU if no agreement on future economic cooperation is reached by the end of 2020. All of this would also be reflected in a slower recovery.

However, there is also some possibility that economic growth will be higher, particularly next year. In the event of a faster permanent improvement in epidemiological conditions or faster-than-expected availability of a vaccine or medicine for widespread use, activity could also recover more rapidly than predicted. The key factor will be the confidence of the population, i.e. their willingness to be vaccinated. An additional upside risk is associated with more extensive government measures than expected, which would not only mitigate the consequences of the economic crisis but also contribute to a faster recovery by addressing future challenges. One possibility for a more rapid recovery also lies in a faster beginning of absorption of resources from the new multi-annual financial framework agreed in July and the extraordinary financial package (New Generation EU) in Slovenia and its main trading partners. Indeed, in their forecasts, international institutions took into account only the already adopted and credibly announced measures related to the new EU instrument for economic recovery. The EU funds represent an opportunity to address developmental challenges, of which the following are of key importance: strengthening support for research and development, innovation and digital transformation to enhance productivity, green transformation with the transition to more sustainable economic development, and systemic adjustments to social protection systems, which are for the most part dictated by demographic trends. All of this can help lower uncertainty about the ability to cope with future challenges, which would improve economic sentiment in Slovenia and internationally and foster investment and growth in production and final consumption.

statistical appendix

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Table 1: Main macroeconomic indicators of Slovenia

Real growth rates in %, unless otherwise indicated

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								forecast		
GROSS DOMESTIC PRODUCT	-1.0	2.8	2.2	3.2	4.8	4.4	3.2	-6.6	4.3	4.4
GDP in EUR m* (current prices, fixed exchange rate 2007)	36,454	37,634	38,853	40,443	43,009	45,863	48,393	45,972	48,444	51,424
GDP per capita in EUR (current prices and at current exchange rate)	17,700	18,253	18,830	19,589	20,819	22,135	23,165	21,889	22,969	24,288
GDP per capita in USD (current prices and at current exchange rate)	23,508	24,249	20,892	21,683	23,520	26,141	25,934	24,910	27,103	28,660
GDP per capita (PPS)[1]	21,600	22,100	22,700	23,500	25,100	26,400	27,200			
GDP per capita (PPS EU27_2020=100)[1]	83	83	83	84	86	87	88			
EMPLOYMENT AND PRODUCTIVITY										
Employment according to National Accounts	-1.1	0.4	1.3	1.8	3.0	3.2	2.5	-1.2	-0.1	1.0
Registered unemployed (annual average in thousand)	119.8	120.1	112.7	103.2	88.6	78.5	74.2	85.2	90.2	81.9
Rate of registered unemployment in %	13.1	13.1	12.3	11.2	9.5	8.2	7.7	8.7	9.2	8.4
Rate of unemployment by ILO in %	10.1	9.7	9.0	8.0	6.6	5.1	4.5	5.1	5.4	4.9
Labour productivity (GDP per employee)	0.1	2.4	0.9	1.3	1.8	1.2	0.7	-5.5	4.4	3.3
WAGES *										
Gross wage per employee - nominal growth in %	-0.2	1.1	1.0	1.8	2.7	3.4	4.3	5.1	1.4	1.9
Private sector activities	0.6	1.4	0.5	1.7	2.9	4.0	3.9	3.8	1.5	2.2
Public service activities	-1.3	0.9	2.1	2.3	2.9	3.0	5.4	6.5	1.4	1.5
Gross wage per employee - real growth in %	-1.9	0.9	1.5	2.0	1.3	1.6	2.7	5.1	0.7	0.0
Private sector activities	-1.2	1.2	1.0	1.8	1.5	2.3	2.2	3.8	0.9	0.3
Public service activities	-3.0	0.7	2.6	2.4	1.5	1.3	3.7	6.6	0.8	-0.4
INTERNATIONAL TRADE										
Exports of goods and services	3.1	6.0	4.7	6.2	11.1	6.3	4.1	-12.1	7.6	8.6
Exports of goods	3.3	6.3	5.3	5.7	11.1	5.9	4.3	-8.9	6.7	5.7
Exports of services	2.0	5.0	2.4	8.0	11.2	7.5	3.3	-24.3	11.5	20.5
Imports of goods and services	2.1	4.2	4.3	6.3	10.7	7.2	4.4	-13.9	9.3	9.5
Imports of goods	2.9	3.8	5.1	6.6	10.8	7.7	4.7	-12.9	9.4	8.2
Imports of services	-2.3	6.1	0.1	4.7	10.6	4.8	3.3	-19.1	8.7	16.8

Table 1: Main macroeconomic indicators of Slovenia - continue

Real growth rates in %, unless otherwise indicated

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								forecast		
BALANCE OF PAYMENTS STATISTICS										
Current account balance in EUR m	1,203	1,918	1,483	1,932	2,674	2,680	2,723	3,370	3,115	3,018
- As a per cent share relative to GDP	3.3	5.1	3.8	4.8	6.2	5.8	5.6	7.3	6.4	5.9
External balance of goods and services in EUR m	2,136	2,640	3,122	3,465	3,870	3,907	4,117	4,582	4,393	4,425
- As a per cent share relative to GDP	5.9	7.0	8.0	8.6	9.0	8.5	8.5	10.0	9.1	8.6
FINAL DOMESTIC DEMAND										
Final consumption	-3.4	1.1	2.1	3.9	1.5	3.5	4.0	-6.5	3.6	3.7
As a % of GDP	75.7	73.9	72.8	73.0	71.0	70.3	70.8	70.6	70.0	69.6
in which:										
Private consumption	-3.9	1.6	2.0	4.4	1.9	3.6	4.8	-9.6	4.1	4.6
As a % of GDP	56.1	55.0	54.0	54.0	52.6	52.1	52.4	49.9	49.6	49.7
Government consumption	-2.0	-0.2	2.3	2.4	0.4	3.0	1.7	2.4	2.4	1.6
As a % of GDP	19.6	18.9	18.8	19.0	18.4	18.2	18.4	20.7	20.4	19.8
Gross fixed capital formation	3.4	-0.1	-1.2	-3.6	10.2	9.6	5.8	-5.9	10.0	8.5
As a % of GDP	19.6	19.1	18.7	17.4	18.3	19.2	19.6	19.7	20.9	21.8
EXCHANGE RATE AND PRICES										
Ratio of USD to EUR	1.328	1.329	1.110	1.107	1.129	1.181	1.120	1.138	1.180	1.180
Real effective exchange rate - deflated by CPI[2]	1.2	-0.2	-4.1	0.2	0.4	0.8	-0.3	-0.5	-0.5	0.4
Inflation (end of the year), %[3]	0.7	0.2	-0.4	0.5	1.7	1.4	1.8	-0.9	1.6	1.8
Inflation (year average), %[3]	1.8	0.2	-0.5	-0.1	1.4	1.7	1.6	0.0	0.6	1.9
Brent Crude Oil Price USD / barrel	108.6	98.9	52.4	44.8	54.3	71.0	64.3	40.9	43.4	45.3

Source of data: SURS, BoS, Eurostat, calculations and forecasts by IMAD.
Note: * The Winter Forecast takes into account the methodological specifics regarding the reporting of wages (which do not include compensation paid by the government), which affects the movement of wages as shown by statistical data in 2020, 2021 and 2022. The forecasts for gross wages in this forecast and our other forecasts or scenarios (except the Summer and Autumn Forecast) are therefore not directly comparable.
[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 and gross domestic product

EUR million, current prices

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
A	Agriculture, forestry and fishing	718.6	759.1	814.6	800.8	782.7	1,028.9	970.7	988.4	993.1	1,048.4
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	8,363.0	8,736.8	9,080.9	9,492.3	10,185.8	10,683.8	11,447.7	10,734.5	11,312.1	11,915.7
	of which: C Manufacturing	6,984.6	7,385.1	7,747.0	8,156.2	8,852.5	9,311.7	9,981.2	9,332.3	9,834.0	10,331.0
F	Construction	1,657.9	1,852.3	1,808.3	1,817.8	2,012.2	2,286.7	2,531.8	2,551.4	2,858.2	3,170.9
GHI	Trade, transportation and storage, accommodation and food service activities	6,303.8	6,497.2	6,852.4	7,251.2	7,803.1	8,408.0	8,812.5	7,884.2	8,477.6	9,129.1
J	Information and communication	1,321.2	1,391.5	1,357.4	1,388.2	1,486.1	1,543.2	1,726.2	1,724.0	1,840.9	1,994.6
K	Financial and insurance activities	1,257.6	1,304.1	1,362.2	1,337.5	1,406.2	1,514.3	1,604.5	1,678.0	1,671.8	1,738.9
L	Real estate activities	2,572.5	2,529.9	2,652.9	2,771.4	2,874.9	2,990.3	3,070.6	3,103.1	3,076.7	3,170.9
MN	Professional, scientific, technical, administrative and support services	3,011.0	3,222.7	3,346.6	3,459.3	3,794.9	4,092.3	4,204.9	3,838.7	4,094.0	4,398.3
OPQ	Public administration, education, human health and social work	5,446.7	5,389.7	5,469.2	5,805.9	6,086.7	6,416.1	6,915.2	7,195.7	7,489.5	7,758.6
RST	Other service activities	856.5	848.9	847.2	905.0	939.8	982.2	1,059.0	850.5	930.1	1,079.9
1. TOTAL VALUE ADDED		**31,508.8**	**32,532.0**	**33,591.7**	**35,029.6**	**37,372.2**	**39,945.7**	**42,343.2**	**40,548.4**	**42,743.8**	**45,405.4**
2. CORRECTIONS (a - b)		4,945.6	5,102.3	5,260.9	5,413.7	5,636.9	5,916.9	6,049.4	5,423.7	5,699.8	6,018.8
a) Taxes on products and services		4,979.0	5,134.7	5,291.0	5,445.5	5,669.2	5,952.3	6,088.4	5,441.9	5,714.7	6,034.2
b) Subsidies on products and services		33.5	32.4	30.1	31.9	32.3	35.5	39.0	18.2	14.9	15.4
3. GROSS DOMESTIC PRODUCT (3=1+2)		**36,454.3**	**37,634.3**	**38,852.6**	**40,443.2**	**43,009.1**	**45,862.6**	**48,392.6**	**45,972.0**	**48,443.6**	**51,424.2**

Source of data: SURS, forecasts by IMAD.

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

Structure in %, current prices

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
A	Agriculture, forestry and fishing	2.0	2.0	2.1	2.0	1.8	2.2	2.0	2.1	2.0	2.0
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	22.9	23.2	23.4	23.5	23.7	23.3	23.7	23.3	23.4	23.2
	of which: C Manufacturing	19.2	19.6	19.9	20.2	20.6	20.3	20.6	20.3	20.3	20.1
F	Construction	4.5	4.9	4.7	4.5	4.7	5.0	5.2	5.5	5.9	6.2
GHI	Trade, transportation and storage, accommodation and food service activities	17.3	17.3	17.6	17.9	18.1	18.3	18.2	17.1	17.5	17.8
J	Information and communication	3.6	3.7	3.5	3.4	3.5	3.4	3.6	3.7	3.8	3.9
K	Financial and insurance activities	3.4	3.5	3.5	3.3	3.3	3.3	3.3	3.6	3.5	3.4
L	Real estate activities	7.1	6.7	6.8	6.9	6.7	6.5	6.3	6.7	6.4	6.2
MN	Professional, scientific, technical, administrative and support services	8.3	8.6	8.6	8.6	8.8	8.9	8.7	8.3	8.5	8.6
OPQ	Public administration, education, human health and social work	14.9	14.3	14.1	14.4	14.2	14.0	14.3	15.7	15.5	15.1
RST	Other service activities	2.3	2.3	2.2	2.2	2.2	2.1	2.2	1.8	1.9	2.1
1. TOTAL VALUE ADDED		**86.4**	**86.4**	**86.5**	**86.6**	**86.9**	**87.1**	**87.5**	**88.2**	**88.2**	**88.3**
2. CORRECTIONS (a - b)		13.6	13.6	13.5	13.4	13.1	12.9	12.5	11.8	11.8	11.7
a) Taxes on products and services		13.7	13.6	13.6	13.5	13.2	13.0	12.6	11.8	11.8	11.7
b) Subsidies on products and services		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
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**

Source of data: SURS, forecasts by IMAD.

Table 3a: Gross value added by activity and gross domestic product

EUR million

		constant previous year prices							constant 2019 prices		
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
A	Agriculture, forestry and fishing	704.8	733.0	858.7	803.3	760.0	968.3	995.7	1,000.3	1,020.3	1,040.7
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	8,078.2	8,695.4	8,891.7	9,543.7	10,155.6	10,479.2	11,336.3	10,680.7	11,161.3	11,619.0
	of which: C Manufacturing	6,740.2	7,300.8	7,593.1	8,177.8	8,795.0	9,098.7	10,009.5	9,332.4	9,752.4	10,142.5
F	Construction	1,652.1	1,820.9	1,792.9	1,748.8	1,947.5	2,175.3	2,449.8	2,488.8	2,762.5	3,011.1
GHI	Trade, transportation and storage, accommodation and food service activities	6,261.0	6,522.2	6,858.4	7,235.4	7,815.9	8,277.1	8,687.1	7,763.8	8,214.1	8,686.4
J	Information and communication	1,366.6	1,383.8	1,419.0	1,351.6	1,451.4	1,551.8	1,705.6	1,691.7	1,777.1	1,883.7
K	Financial and insurance activities	1,325.1	1,239.6	1,261.4	1,397.8	1,330.2	1,417.4	1,583.3	1,668.7	1,668.7	1,718.7
L	Real estate activities	2,409.6	2,605.0	2,534.5	2,651.8	2,817.3	2,922.6	3,024.4	3,092.1	3,124.6	3,157.4
MN	Professional, scientific, technical, administrative and support services	2,999.7	3,287.1	3,373.6	3,453.2	3,705.2	4,052.9	4,000.7	3,700.3	3,848.3	4,021.5
OPQ	Public administration, education, human health and social work	5,592.5	5,460.5	5,400.5	5,603.0	5,916.9	6,198.6	6,514.7	6,810.1	6,921.9	7,052.9
RST	Other service activities	865.8	847.1	842.5	891.0	920.5	958.0	1,025.9	831.3	906.5	1,043.0
1. TOTAL VALUE ADDED		**31,255.6**	**32,594.5**	**33,233.0**	**34,679.6**	**36,820.4**	**39,001.4**	**41,323.6**	**39,727.7**	**41,405.4**	**43,234.5**
2. CORRECTIONS (a - b)		4,624.6	4,868.9	5,233.0	5,413.1	5,561.5	5,893.5	5,999.4	5,449.2	5,704.0	5,944.1
a) Taxes on products and services		4,660.4	4,901.7	5,266.3	5,442.9	5,594.5	5,927.8	6,035.5	5,467.4	5,718.9	5,959.1
b) Subsidies on products and services		35.8	32.8	33.3	29.7	33.0	34.3	36.1	18.2	14.8	15.0
3. GROSS DOMESTIC PRODUCT (3=1+2)		**35,880.1**	**37,463.4**	**38,466.0**	**40,092.8**	**42,381.9**	**44,894.9**	**47,323.0**	**45,176.9**	**47,109.5**	**49,178.6**

Source of data: SURS, forecasts by IMAD.

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

Real growth rates in %

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
A	Agriculture, forestry and fishing	-1.0	2.0	13.1	-1.4	-5.1	23.7	-3.2	3.0	2.0	2.0
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	-0.4	4.0	1.8	5.1	7.0	2.9	6.1	-6.7	4.5	4.1
	of which: C Manufacturing	-0.7	4.5	2.8	5.6	7.8	2.8	7.5	-6.5	4.5	4.0
F	Construction	-9.2	9.8	-3.2	-3.3	7.1	8.1	7.1	-1.7	11.0	9.0
GHI	Trade, transportation and storage, accommodation and food service activities	0.3	3.5	5.6	5.6	7.8	6.1	3.3	-11.9	5.8	5.7
J	Information and communication	1.4	4.7	2.0	-0.4	4.6	4.4	10.5	-2.0	5.0	6.0
K	Financial and insurance activities	-2.8	-1.4	-3.3	2.6	-0.5	0.8	4.6	4.0	0.0	3.0
L	Real estate activities	0.4	1.3	0.2	0.0	1.7	1.7	1.1	0.7	1.0	1.0
MN	Professional, scientific, technical, administrative and support services	0.5	9.2	4.7	3.2	7.1	6.8	-2.2	-12.0	4.0	4.5
OPQ	Public administration, education, human health and social work	-0.7	0.3	0.2	2.4	1.9	1.8	1.5	-1.5	1.6	1.9
RST	Other service activities	0.3	-1.1	-0.8	5.2	1.6	1.9	4.4	-21.5	9.0	15.0
1. TOTAL VALUE ADDED		**-0.7**	**3.4**	**2.2**	**3.2**	**5.1**	**4.4**	**3.4**	**-6.2**	**4.2**	**4.4**
2. CORRECTIONS (a - b)		-3.2	-1.5	2.6	2.9	2.7	4.6	1.4	-9.9	4.7	4.2
a) Taxes on products and services		-3.2	-1.6	2.6	2.9	2.7	4.6	1.4	-10.2	4.6	4.2
b) Subsidies on products and services		2.0	-1.9	2.8	-1.1	3.7	6.1	2.2	-53.3	-18.5	1.0
3. GROSS DOMESTIC PRODUCT (3=1+2)		**-1.0**	**2.8**	**2.2**	**3.2**	**4.8**	**4.4**	**3.2**	**-6.6**	**4.3**	**4.4**

Source of data: SURS, forecasts by IMAD.

Table 4a: Gross domestic product by expenditures

EUR million, current prices

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**36,454.3**	**37,634.3**	**38,852.6**	**40,443.2**	**43,009.1**	**45,862.6**	**48,392.6**	**45,972.0**	**48,443.6**	**51,424.2**
2	EXPORTS OF GOODS AND SERVICES	27,055.1	28,659.2	29,974.3	31,383.2	35,752.4	38,889.5	40,525.5	35,225.1	38,161.8	41,848.3
3	IMPORTS OF GOODS AND SERVICES	25,350.3	26,117.4	26,865.5	27,929.9	31,892.4	34,996.2	36,432.0	30,660.9	33,788.3	37,450.5
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	1,704.8	2,541.7	3,108.8	3,453.3	3,860.0	3,893.3	4,093.5	4,564.3	4,373.5	4,397.8
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	34,749.5	35,092.6	35,743.8	36,989.9	39,149.1	41,969.3	44,299.1	41,407.7	44,070.0	47,026.5
6	FINAL CONSUMPTION (6=7+8)	27,609.3	27,801.3	28,298.3	29,537.5	30,527.2	32,255.6	34,272.3	32,461.5	33,887.3	35,775.0
7	PRIVATE CONSUMPTION	20,449.4	20,692.9	20,985.0	21,838.9	22,602.7	23,889.3	25,366.8	22,934.3	24,007.1	25,581.8
	- Households	20,107.0	20,339.1	20,640.2	21,475.4	22,223.0	23,483.5	24,936.9	22,530.2	23,592.4	25,146.6
	- NPISH's	342.4	353.8	344.8	363.5	379.7	405.8	429.9	404.1	414.7	435.2
8	GOVERNMENT CONSUMPTION	7,159.9	7,108.4	7,313.3	7,698.6	7,924.5	8,366.3	8,905.4	9,527.1	9,880.2	10,193.2
9	GROSS CAPITAL FORMATION (9=10+11)	7,140.2	7,291.3	7,445.6	7,452.4	8,622.0	9,713.7	10,026.8	8,946.3	10,182.7	11,251.5
10	GROSS FIXED CAPITAL FORMATION	7,157.3	7,191.0	7,247.8	7,028.7	7,877.4	8,821.6	9,503.0	9,045.4	10,144.4	11,221.8
11	CHANGES IN INVENTORIES AND VALUABLES	-17.1	100.3	197.8	423.8	744.6	892.1	523.8	-99.1	38.3	29.7

Source of data: SURS, forecasts by IMAD.

Table 4b: Gross domestic product by expenditures

Structure in %, current prices

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									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**
2	EXPORTS OF GOODS AND SERVICES	74.2	76.2	77.1	77.6	83.1	84.8	83.7	76.6	78.8	81.4
3	IMPORTS OF GOODS AND SERVICES	69.5	69.4	69.1	69.1	74.2	76.3	75.3	66.7	69.7	72.8
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	4.7	6.8	8.0	8.5	9.0	8.5	8.5	9.9	9.0	8.6
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	95.3	93.2	92.0	91.5	91.0	91.5	91.5	90.1	91.0	91.4
6	FINAL CONSUMPTION (6=7+8)	75.7	73.9	72.8	73.0	71.0	70.3	70.8	70.6	70.0	69.6
7	PRIVATE CONSUMPTION	56.1	55.0	54.0	54.0	52.6	52.1	52.4	49.9	49.6	49.7
	- Households	55.2	54.0	53.1	53.1	51.7	51.2	51.5	49.0	48.7	48.9
	- NPISH's	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8
8	GOVERNMENT CONSUMPTION	19.6	18.9	18.8	19.0	18.4	18.2	18.4	20.7	20.4	19.8
9	GROSS CAPITAL FORMATION (9=10+11)	19.6	19.4	19.2	18.4	20.0	21.2	20.7	19.5	21.0	21.9
10	GROSS FIXED CAPITAL FORMATION	19.6	19.1	18.7	17.4	18.3	19.2	19.6	19.7	20.9	21.8
11	CHANGES IN INVENTORIES AND VALUABLES	0.0	0.3	0.5	1.0	1.7	1.9	1.1	-0.2	0.1	0.1

Source of data: SURS, forecasts by IMAD.

Table 5a: Gross domestic product by expenditures

EUR million

		constant previous year prices							constant 2019 prices		
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**35,880.1**	**37,463.4**	**38,466.0**	**40,092.8**	**42,381.9**	**44,894.9**	**47,323.0**	**45,176.9**	**47,109.5**	**49,178.6**
2	EXPORTS OF GOODS AND SERVICES	27,234.8	28,681.3	30,018.0	31,821.7	34,871.2	37,991.1	40,476.9	35,627.6	38,319.9	41,596.7
3	IMPORTS OF GOODS AND SERVICES	25,725.4	26,404.1	27,245.3	28,555.1	30,929.3	34,192.5	36,552.9	31,357.6	34,287.2	37,560.9
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	1,509.4	2,277.2	2,772.6	3,266.7	3,941.8	3,798.5	3,924.0	4,270.0	4,032.7	4,035.8
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	34,370.7	35,186.3	35,693.4	36,826.1	38,440.0	41,096.3	43,399.0	40,906.9	43,076.8	45,142.8
6	FINAL CONSUMPTION (6=7+8)	27,255.5	27,923.8	28,387.8	29,408.8	29,972.3	31,586.5	33,543.6	32,057.9	33,202.0	34,445.3
7	PRIVATE CONSUMPTION	20,020.4	20,781.5	21,112.7	21,918.4	22,243.9	23,426.5	25,031.7	22,934.3	23,863.9	24,955.1
	- Households	19,677.9	20,427.7	20,769.2	21,559.8	21,871.6	23,028.6	24,615.8	22,530.2	23,451.7	24,530.5
	- NPISH's	342.5	353.8	343.5	358.6	372.3	397.9	415.9	404.1	412.2	424.6
8	GOVERNMENT CONSUMPTION	7,235.1	7,142.3	7,275.1	7,490.4	7,728.4	8,160.0	8,511.9	9,123.6	9,338.1	9,490.3
9	GROSS CAPITAL FORMATION (9=10+11)	7,115.3	7,262.4	7,305.6	7,417.3	8,467.7	9,509.8	9,855.4	8,848.9	9,874.8	10,697.4
10	GROSS FIXED CAPITAL FORMATION	7,136.3	7,152.8	7,103.8	6,987.6	7,744.1	8,637.1	9,336.5	8,947.0	9,837.3	10,668.6
11	CHANGES IN INVENTORIES AND VALUABLES	-21.0	109.6	201.8	429.7	723.6	872.7	518.8	-98.0	37.5	28.8

Source of data: SURS, forecasts by IMAD.

Table 5b: Gross domestic product by expenditures

Real growth rates in %

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast		
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**-1.0**	**2.8**	**2.2**	**3.2**	**4.8**	**4.4**	**3.2**	**-6.6**	**4.3**	**4.4**
2	EXPORTS OF GOODS AND SERVICES	3.1	6.0	4.7	6.2	11.1	6.3	4.1	-12.1	7.6	8.6
3	IMPORTS OF GOODS AND SERVICES	2.1	4.2	4.3	6.3	10.7	7.2	4.4	-13.9	9.3	9.5
4	*EXTERNAL BALANCE OF GOODS AND SERVICES*[1]	*0.8*	*1.6*	*0.6*	*0.4*	*1.2*	*-0.1*	*0.1*	*0.4*	*-0.5*	*0.0*
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	-1.9	1.3	1.7	3.0	3.9	5.0	3.4	-7.7	5.3	4.8
6	FINAL CONSUMPTION (6=7+8)	-3.4	1.1	2.1	3.9	1.5	3.5	4.0	-6.5	3.6	3.7
7	PRIVATE CONSUMPTION	-3.9	1.6	2.0	4.4	1.9	3.6	4.8	-9.6	4.1	4.6
	- Households	-4.0	1.6	2.1	4.5	1.8	3.6	4.8	-9.7	4.1	4.6
	- NPISH's	1.5	3.3	-2.9	4.0	2.4	4.8	2.5	-6.0	2.0	3.0
8	GOVERNMENT CONSUMPTION	-2.0	-0.2	2.3	2.4	0.4	3.0	1.7	2.4	2.4	1.6
9	GROSS CAPITAL FORMATION (9=10+11)	4.6	1.7	0.2	-0.4	13.6	10.3	1.5	-11.7	11.6	8.3
10	GROSS FIXED CAPITAL FORMATION	3.4	-0.1	-1.2	-3.6	10.2	9.6	5.8	-5.9	10.0	8.5
11	*CHANGES IN INVENTORIES AND VALUABLES*[1]	*0.2*	*0.3*	*0.3*	*0.6*	*0.7*	*0.3*	*-0.8*	*-1.3*	*0.3*	*0.0*

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

Table 6: Balance of payments - balance of payments statistics

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								forecast		
I. CURRENT ACCOUNT	**1,203**	**1,918**	**1,483**	**1,932**	**2,674**	**2,680**	**2,723**	**3,370**	**3,115**	**3,018**
1. GOODS	714	1,175	1,476	1,524	1,617	1,282	1,330	2,751	2,205	1,566
1.1. Exports of goods	21,652	22,860	23,948	24,883	28,372	30,817	32,013	28,712	30,831	32,897
1.2. Imports of goods	20,938	21,685	22,471	23,360	26,756	29,535	30,682	25,961	28,626	31,331
2. SERVICES	1,422	1,465	1,646	1,941	2,254	2,625	2,787	1,830	2,188	2,859
2.1. Exports	5,368	5,710	5,952	6,517	7,394	8,104	8,548	6,540	7,361	8,985
- Transport	1,398	1,529	1,654	1,839	2,164	2,438	2,503	2,275	2,433	2,576
- Travel	2,094	2,140	2,162	2,271	2,523	2,704	2,752	856	1,079	1,640
- Other	1,877	2,041	2,136	2,407	2,706	2,962	3,293	3,409	3,849	4,770
2.2. Imports	3,946	4,245	4,306	4,575	5,140	5,478	5,762	4,710	5,173	6,127
- Transport	738	814	846	917	1,098	1,106	1,185	1,090	1,167	1,237
- Travel	1,068	1,119	1,109	1,176	1,322	1,483	1,500	561	708	1,077
- Other	2,140	2,311	2,351	2,482	2,720	2,889	3,077	3,058	3,297	3,812
1., 2. EXTERNAL BALANCE OF GOODS AND SERVICES	**2,136**	**2,640**	**3,122**	**3,465**	**3,870**	**3,907**	**4,117**	**4,582**	**4,393**	**4,425**
Exports of goods and services	27,020	28,570	29,900	31,400	35,766	38,921	40,561	35,252	38,192	41,882
Imports of goods and services	24,884	25,930	26,778	27,935	31,896	35,014	36,444	30,671	33,799	37,457
3. PRIMARY INCOME	**-562**	**-437**	**-1,256**	**-1,139**	**-879**	**-819**	**-853**	**-669**	**-731**	**-736**
3.1. Receipts	590	888	1,070	1,259	1,381	1,578	1,701	1,380	1,463	1,553
- Compensation of employees	205	238	302	355	385	431	480	365	370	390
- Investment	54	368	511	637	703	802	843	648	650	698
- Other primary income	331	282	258	267	293	345	378	367	444	465
3.2. Expenditure	1,152	1,326	2,326	2,398	2,260	2,397	2,554	2,049	2,194	2,289
- Compensation of employees	105	118	126	132	149	173	195	160	175	190
- Investment	917	1,063	2,057	2,081	1,929	2,020	2,148	1,700	1,807	1,878
- Other primary income	130	144	143	184	182	204	211	189	212	221
4. SECONDARY INCOME	**-371**	**-285**	**-384**	**-394**	**-317**	**-408**	**-541**	**-543**	**-548**	**-671**
4.1. Receipts	629	706	730	713	828	793	805	789	840	754
4.2. Expenditure	1,000	991	1,114	1,107	1,145	1,201	1,346	1,332	1,387	1,425
II. CAPITAL ACCOUNT	**162**	**79**	**412**	**-307**	**-324**	**-225**	**-187**			
1. Non-produced non-financial assets	-10	-24	-37	-45	-76	-47	-24			
2. Capital transfers	172	102	449	-262	-248	-178	-163			
III. FINANCIAL ACCOUNT	**1,619**	**2,276**	**1,779**	**1,184**	**2,112**	**2,524**	**2,454**			
1. Direct investment	-47	-584	-1,269	-864	-495	-934	-748			
- Assets	24	155	292	434	570	373	773			
- Liabilities	71	739	1,560	1,298	1,065	1,307	1,521			
2. Portfolio investment	-4,097	-3,951	3,039	5,024	2,990	744	791			
3 Financial derivatives	27	-51	-98	-270	-185	-81	-163			
4. Other investment	5,731	6,773	219	-2,610	-287	2,743	2,537			
4.1. Assets	920	4,812	-643	-2,216	-1,372	2,039	3,424			
4.2. Liabilities	-4,812	-1,961	-862	395	-1,085	-704	887			
5. Reserve assets	5	89	-113	-97	89	52	37			
IV. NET ERRORS AND OMISSIONS	**255**	**279**	**-116**	**-441**	**-239**	**69**	**-81**			

Source of data: 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.

Table 7: Labour market

	2013	2014	2015	2016	2017	20187	2019	2020	2021	2022
								forecast		
LABOUR SUPPLY										
Activity rate (20-64 years, in %)	74.9	75.1	76.0	76.2	78.6	79.5	79.9	79.4	79.6	80.0
Active population (ILO definition - in thousands)	1,008	1,015	1,008	995	1,027	1,033	1,028	1,023	1,026	1,031
- yearly growth (in %)	-0.6	0.7	-0.7	-1.3	3.2	0.7	-0.5	-0.5	0.2	0.5
EMPLOYMENT AND UNEMPLOYMENT										
Employment (National accounts concept, in thousands)	927.7	931.7	943.9	961.2	989.6	1,021.3	1,046.7	1,034.5	1,033.6	1,044.3
- yearly growth (in %)	-1.1	0.4	1.3	1.8	3.0	3.2	2.5	-1.2	-0.1	1.0
Employment (ILO concept, in thousands)	906.0	917.0	917.6	915.1	959.0	980.5	982.4	971.0	970.1	980.2
- yearly growth (in %)	-1.9	1.2	0.1	-0.3	4.8	2.2	0.2	-1.2	-0.1	1.0
Employment rate (20-64 yeras, in %)	67.2	67.8	69.1	70.1	73.4	75.4	76.4	75.4	75.3	76.1
Formal employment (statistical register, in thousands) *	793.6	797.8	804.6	817.2	845.5	872.8	894.2	888.6	888.4	897.9
- yearly growth (in %)	-2.0	0.5	0.9	1.6	3.5	3.2	2.5	-0.6	0.0	1.1
Paid employment (in thousands)	698.7	703.0	713.1	730.5	755.3	780.2	801.9	794.9	794.3	803.2
- yearly growth (in %)	-2.6	0.6	1.4	2.4	3.4	3.3	2.8	-0.9	-0.1	1.1
Self employed (in thousands)	94.9	94.8	91.6	86.7	90.2	92.6	92.3	93.7	94.1	94.8
- yearly growth (in %)	2.1	-0.1	-3.4	-5.3	4.0	2.7	-0.3	1.5	0.4	0.7
Unemployment (ILO concept, in thousands)	101.8	98.0	90.5	79.7	67.5	52.8	45.7	52.5	55.6	50.5
- yearly growth (in %)	13.5	-3.7	-7.7	-11.9	-15.3	-21.8	-13.4	14.8	6.0	-9.2
Unemployment (registered, in thousands)	119.8	120.1	112.7	103.2	88.6	78.5	74.2	85.2	90.2	81.9
- yearly growth (in %)	8.8	0.2	-6.1	-8.5	-14.1	-11.5	-5.5	14.8	6.0	-9.2
Unemployment rate (ILO concept, in %)	10.1	9.7	9.0	8.0	6.6	5.1	4.5	5.1	5.4	4.9
Unemployment rate (registered, in %)	13.1	13.1	12.3	11.2	9.5	8.2	7.7	8.7	9.2	8.4

Sources of data: SURS, ESS, forecasts by IMAD and Eurostat.
Note: * According to the Statistical Register of Employment, including the forecast of self employed farmers.

Table 8: Indicators of international competitiveness

annual growth rates in %

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
									forecast	
Effective exchange rate[1]										
Nominal	0.9	0.2	-3.0	0.9	0.5	0.8	-0.4	0.8	0.2	0.0
Real - based on consumer prices	1.2	-0.2	-4.1	0.2	0.4	0.8	-0.3	-0.5	-0.5	0.4
Real - based on ULC in economy as a whole	-0.1	-1.4	-3.4	1.1	0.1	1.1	1.2	3.2	-0.6	-0.7
Unit labour costs components										
Nominal unit labour costs	0.4	-1.1	0.6	1.8	1.2	2.7	4.2	7.4	-1.9	-0.3
Compensation of employees per employee	0.5	1.2	1.5	3.1	3.0	3.9	4.9	1.5	2.4	3.0
Labour productivity, real [2]	0.1	2.3	0.9	1.3	1.8	1.1	0.7	-5.5	4.4	3.3
Real unit labour costs	-1.2	-1.5	-0.4	0.9	-0.3	0.6	1.9	5.6	-2.9	-2.0
Labour productivity, nominal [3]	1.7	2.8	1.9	2.2	3.3	3.3	3.0	-3.9	5.5	5.1

Sources of data: SURS national accounts statistics, ECB, OECD, Consensus Forecasts, European Comision, calculations and forecasts by IMAD.
Notes: [1] Harmonised effective exchange rate - 37 group of trading partners; 19 extra Euro area and 18 Euro area countries; a rise in the value indicates appreciation and of national currency and vice versa. [2] GDP per employee (in constant prices); [3] GDP per employee (in current prices).

Table 9a: Consolidated general government revenues; GFS - IMF Methodology

EUR million, current prices

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2013	2014	2015	2016	2017	2018	2019
I. TOTAL GENERAL GOVERNMENT REVENUES	**14,728**	**15,494**	**15,714**	**15,842**	**16,803**	**18,594**	**19,232**
TAX REVENUES	**12,648**	**13,193**	**13,746**	**14,241**	**15,162**	**16,225**	**17,179**
TAXES ON INCOME AND PROFIT	2,137	2,386	2,585	2,681	2,967	3,296	3,614
Personal income tax	1,868	1,916	1,986	2,079	2,197	2,447	2,592
Corporate income tax	265	468	595	600	766	846	997
SOCIAL SECURITY CONTRIBUTIONS	5,127	5,273	5,474	5,721	6,092	6,550	7,021
TAXSES ON PAYROLL AND WORKFORCE	23	20	20	20	21	22	23
TAXES ON PROPERTY	254	245	238	256	274	278	296
DOMESTIC TAXES ON GOODS AND SERVICES	5,027	5,191	5,347	5,433	5,723	5,989	6,127
Value added tax	3,029	3,153	3,229	3,272	3,504	3,757	3,872
Excise duties	1,491	1,491	1,515	1,551	1,586	1,560	1,543
TAXES ON INTERN. TRADE AND TRANSACTIONS	78	78	83	82	83	90	99
OTHER TAXES	1	0	1	48	1	0	-1
NON-TAX REVENUES	**989**	**1,185**	**956**	**963**	**1,089**	**1,351**	**1,114**
CAPITAL REVENUES	67	53	96	96	91	153	136
DONATIONS RECEIVED	**33**	**19**	**12**	**10**	**10**	**12**	**14**
TRANSFERED REVENUES	**53**	**5**	**21**	**51**	**52**	**56**	**58**
RECEIPTS FROM THE EU BUDGET	**938**	**1,040**	**882**	**481**	**399**	**797**	**731**

Source of data: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia, SURS.

Table 9b: Consolidated general government revenues; GFS - IMF Methodology

per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2013	2014	2015	2016	2017	2018	2019
I. TOTAL GENERAL GOVERNMENT REVENUES	**40.4**	**41.2**	**40.4**	**39.2**	**39.1**	**40.5**	**39.7**
TAX REVENUES	**34.7**	**35.1**	**35.4**	**35.2**	**35.3**	**35.4**	**35.5**
TAXES ON INCOME AND PROFIT	5.9	6.3	6.7	6.6	6.9	7.2	7.5
Personal income tax	5.1	5.1	5.1	5.1	5.1	5.3	5.4
Corporate income tax	0.7	1.2	1.5	1.5	1.8	1.8	2.1
SOCIAL SECURITY CONTRIBUTIONS	14.1	14.0	14.1	14.1	14.2	14.3	14.5
TAXSES ON PAYROLL AND WORKFORCE	0.1	0.1	0.1	0.0	0.0	0.0	0.0
TAXES ON PROPERTY	0.7	0.7	0.6	0.6	0.6	0.6	0.6
DOMESTIC TAXES ON GOODS AND SERVICES	13.8	13.8	13.8	13.4	13.3	13.1	12.7
Value added tax	8.3	8.4	8.3	8.1	8.1	8.2	8.0
Excise duties	4.1	4.0	3.9	3.8	3.7	3.4	3.2
TAXES ON INTERN. TRADE AND TRANSACTIONS	0.2	0.2	0.2	0.2	0.2	0.2	0.2
OTHER TAXES	0.0	0.0	0.0	0.1	0.0	0.0	0.0
NON-TAX REVENUES	**2.7**	**3.1**	**2.5**	**2.4**	**2.5**	**2.9**	**2.3**
CAPITAL REVENUES	0.2	0.1	0.2	0.2	0.2	0.3	0.3
DONATIONS RECEIVED	**0.1**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TRANSFERED REVENUES	**0.1**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
RECEIPTS FROM THE EU BUDGET	**2.6**	**2.8**	**2.3**	**1.2**	**0.9**	**1.7**	**1.5**

Source of data: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia, SURS.

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

EUR million, current prices

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2013	2014	2015	2016	2017	2018	2019
II. TOTAL EXPENDITURES	**16,286**	**16,755**	**16,956**	**16,497**	**17,102**	**18,067**	**18,969**
CURRENT EXPENDITURE	**6,838**	**7,043**	**7,168**	**7,407**	**7,733**	**7,967**	**8,228**
WAGES AND OTHER PERSONNEL EXPENDITURE	3,114	3,116	3,124	3,278	3,406	3,583	3,837
EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	503	494	486	508	533	585	634
PURCHASES OF GOODS AND SERVICES	2,239	2,233	2,311	2,371	2,627	2,634	2,728
INTEREST PAYMENTS	840	1,097	1,043	1,074	985	868	792
RESERVES	143	103	204	176	183	298	238
CURRENT TRANSFERS	**7,671**	**7,592**	**7,540**	**7,700**	**7,913**	**8,237**	**8,704**
SUBSIDIES	520	467	399	397	425	444	468
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	6,343	6,335	6,371	6,496	6,665	6,926	7,324
OTHER CURRENT TRANSFERS	809	790	770	808	822	867	913
CAPITAL EXPENDITURE AND TRANSFERS - TOTAL	**1,351**	**1,717**	**1,815**	**962**	**1,078**	**1,432**	**1,527**
CAPITAL EXPENDITURE	1,032	1,451	1,520	784	891	1,160	1,253
CAPITAL TRANSFERS	320	266	295	178	187	272	274
PAYMENTS TO THE EU BUDGET	**426**	**403**	**433**	**427**	**379**	**433**	**510**
III. GENERAL GOVERNMENT SURPLUS / DEFICIT (I. - II.)	**-1,558**	**-1,261**	**-1,242**	**-655**	**-299**	**526**	**264**

Source of data: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia, SURS.

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

Per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2013	2014	2015	2016	2017	2018	2019
II. TOTAL EXPENDITURES	**44.7**	**44.5**	**43.6**	**40.8**	**39.8**	**39.4**	**39.2**
CURRENT EXPENDITURE	**18.8**	**18.7**	**18.5**	**18.3**	**18.0**	**17.4**	**17.0**
WAGES AND OTHER PERSONNEL EXPENDITURE	8.5	8.3	8.0	8.1	7.9	7.8	7.9
EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	1.4	1.3	1.3	1.3	1.2	1.3	1.3
PURCHASES OF GOODS AND SERVICES	6.1	5.9	5.9	5.9	6.1	5.7	5.6
INTEREST PAYMENTS	2.3	2.9	2.7	2.7	2.3	1.9	1.6
RESERVES	0.4	0.3	0.5	0.4	0.4	0.6	0.5
CURRENT TRANSFERS	**21.0**	**20.2**	**19.4**	**19.0**	**18.4**	**18.0**	**18.0**
SUBSIDIES	1.4	1.2	1.0	1.0	1.0	1.0	1.0
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	17.4	16.8	16.4	16.1	15.5	15.1	15.1
OTHER CURRENT TRANSFERS	2.2	2.1	2.0	2.0	1.9	1.9	1.9
CAPITAL EXPENDITURE AND TRANSFERS - TOTAL	**3.7**	**4.6**	**4.7**	**2.4**	**2.5**	**3.1**	**3.2**
CAPITAL EXPENDITURE	2.8	3.9	3.9	1.9	2.1	2.5	2.6
CAPITAL TRANSFERS	0.9	0.7	0.8	0.4	0.4	0.6	0.6
PAYMENTS TO THE EU BUDGET	**1.2**	**1.1**	**1.1**	**1.1**	**0.9**	**0.9**	**1.1**
III. GENERAL GOVERNMENT SURPLUS / DEFICIT (I. - II.)	**-4.3**	**-3.4**	**-3.2**	**-1.6**	**-0.7**	**1.1**	**0.5**

Source of data: MF, Ministry of Finance Bulletin and Government Finance Accounts of the Republic of Slovenia, SURS.

Acronyms

Acronyms in the text

BoS – Bank of Slovenia, **CPI** – Consumer Price Index, **DARS** – Motorway Company of the Republic of Slovenia, **EC** – European Commission, **ECB** – European Central Bank, **EIA** – Energy Information Administration, **EMU** – European Monetary Union, **ENTSO-E** – European Network of Transmission System Operators for Electricity, **EU** – European union, **EUR** – Euro, **EUROSTAT** – Statistical Office of the European Union, **FURS** – Financial administration of the Republic of Slovenia, **GDP** – Gross domestic product, **GFS** – Government Finance Statistics, **HICP** – Harmonised Index of Consumer Prices, **ILO** – International Labour Organisation, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **LFS** – Labour Force Survey, **OECD** – Organization for Economic Co-operation and Development, **PPS** – Purchasing Power Standard, **SURS** – Statistical Office of the Republic of Slovenia, **UK** – United Kingdom, **USA** – United States of America, **USD** – US Dollar, **WIIW** – The Wienna Institute for International Economic Studies.

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