

spring forecast of economic trends 2015

Spring Forecast of Economic Trends 2015 (Pomladanska napoved gospodarskih gibanj 2015)

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Summary

Slovenia recorded relatively strong economic growth in 2014, at 2.6%; the labour market situation also improved. With the improvement in the international environment, stabilisation of financial markets in the euro area and following economic policy measures adopted in the last few years, economic growth in 2014 was the strongest since the beginning of the economic crisis. Exports increased significantly due to higher competitiveness, coupled with stronger foreign demand. Investment also rose markedly; public investment in infrastructure was up due to the accelerated absorption of EU funds, while amid higher activity and more stable lending conditions, positive trends were also observed in private investment. Last year, employment rose for the first time since the beginning of the crisis, being up in most private-sector activities. During the year, the number of unemployed steadily decreased as more people found work and fewer became unemployed. The improvement in labour market conditions and a concurrent increase in earnings and other household receipts led to modest growth in private consumption.

The Spring Forecast is based on favourable developments in 2014 and assumes improvement in the international environment and a further implementation of economic policy measures for stabilising the situation in Slovenia. International institutions project higher economic growth in the euro area for this year and stable conditions on financial markets; the forecast also takes into account a continuation of favourable terms of trade. Furthermore, we have also assumed a continuation of fiscal consolidation measures and banking system restructuring, along with the structural adjustments announced in the development planning documents.

GDP will expand by 2.4% in 2015, again mainly owing to strong growth in exports and investment activity. Export growth will remain robust (at 5.6%), due to the faster recovery in most of Slovenia's main trading partners, as well as to further gains in competitiveness. The increase in investment (by 4.8%) in 2015 will be similar to last year. Public investment will again rise in 2015 owing to the absorption of EU funds, albeit slightly less than last year; private investment in machinery and equipment will also expand. Amid higher capacity utilisation, private investment funding will be possible due to better business results, especially in the export-oriented part of the economy, while further deleveraging will open up possibilities for borrowing from the highly liquid banking sector. A further increase in employment, a decline in unemployment, and higher disposable income will boost consumer confidence. Private consumption is therefore projected to rise by 1.1%. Amid increased investment funded from public sources, expenditure on government consumption will decline this year, as fiscal consolidation will continue with similar measures as in 2014. Government consumption will thus fall (-0.4%) for the fifth consecutive year.

In 2016 and 2017, economic growth will hover around 2%, as growth in investment financed by EU funds is expected to slow at the transition to the new financial perspective. Positive impulses from the international environment are expected to continue in the next two years. We also anticipate further progress in correcting macroeconomic imbalances in both the entire euro area and Slovenia, with the exception of the current account surplus, which will remain high particularly as a result of the ongoing deleveraging in the Slovenian corporate sector. This will continue to be a major factor inhibiting a faster recovery. Exports will remain the key driver of growth. Growth in private consumption will gradually pick up, reflecting higher wage bill growth amid the continued recovery on the labour market. Investment volume will drop in 2016, with public investment projected to fall considerably amid a further increase in private investment. Experience shows that after the expiry of access to EU funds under the previous perspective, it is not possible to reach the same absorption rate in the first years of the new financial perspective. Government consumption in the same period will continue to be marked by the ongoing fiscal consolidation.

Amid higher economic activity, employment will continue to increase in 2015–2017, while the number of registered unemployed will gradually decline. In 2015, employment will rise further (by 0.8%), but due to the uncertainty about the recovery, a large share of people will still be hired through labour agencies. In 2015 as a whole, the number of unemployed will fall to 114,300, which is approximately 6,000 less than in 2014. Similar labour market trends will also be recorded in 2016 and 2017. In addition to higher economic activity, they will be increasingly marked by demographic changes. According to demographic projections, the number of working-age people will be falling by around 10,000 per year in the next few years, while the number of people over 65 will be rising by a similar figure.

In 2015, gross earnings will increase by 1.1%; over the entire forecasting period, their growth will stem from rises in both private and public sectors. As the strengthening of economic activity will be comparable to that of last year, the growth in earnings will also remain similar in 2015. Its increase in the private sector will reflect growth in the majority of activities, but a larger spill-over of higher productivity into earnings will be prevented by companies' efforts to maintain a competitive position and the still high unemployment. Growth in average earnings in the public sector will also remain similar to that in 2014, due to the extension of the majority of measures for limiting the growth of earnings in the general government sector. In 2016 and 2017, nominal growth in earnings will increase in both the private and the public sector. It will be underpinned by a further recovery in economic activity and productivity and lower pressures from the labour market, while nominal growth in the general government sector will be due to the already agreed payments of regular promotions. Amid anticipated deflation, in 2015 real growth in earnings will be somewhat higher than last year, while in 2016 and 2017 it will be similar to last year's due to renewed price growth.

The general price level in 2015 as a whole will be lower than last year (-0.2%); in the next two years, inflation will be below the ECB's target of 2.0%. In 2015, the movement of prices will continue to be significantly impacted by the negative contribution of prices of energy and, partly, food. Moreover, the decline in the year as a whole will also continue to reflect the adjustment of relative prices, as a further reduction in unit labour costs will also ease the upward pressure on prices. As domestic demand will remain subdued, prices will fall by 0.2% this year. Reflecting the recovery of economic activity and rising oil prices, prices are expected to increase gradually in 2016 and 2017, but with economic activity still below the pre-crisis level and amid further corporate deleveraging coupled with weak domestic demand, the increase will be below 2%.

The surplus of the current account of the balance of payments, which in 2014 was the largest on record, will remain at a similarly high level in 2015–2017. The current account has been in surplus since 2011. The surplus was the largest in 2014 (5.9% of GDP) and will remain at a similar level in 2015. It will continue to reflect primarily the deleveraging process in the private sector. This year's increase in the excess of savings over investment in the private sector will again be due to the weak investment activity of this sector, though it is also related to limited demand by highly indebted companies for new sources of funding for investment and to banks being cautious about granting loans. Particularly in the past few years, the faster growth of exports over imports is estimated to have also been due to gains in the tradable sector competitiveness, which will continue to improve in 2015 and, to some extent, the next two years. The current account surplus will thus remain high in 2016 and 2017.

In view of the strong GDP growth in 2014 and a higher forecast, potential GDP growth is also expected to increase and the relatively wide negative output gap will gradually narrow. From its lowest level in 2013, potential GDP growth will rise over 1% in the forecasting period. This is still significantly lower than before the crisis, the main reasons being lower contributions of capital and total factor productivity. The output gap, i.e. the difference between actual and potential GDP, will thus be narrowing gradually over the coming years, according to IMAD estimates.

As the recovery in economic activity and the labour market situation remain fragile, the baseline forecast is associated with downside risks, but these are easing in comparison with previous forecasts. International economic activity is still fairly volatile; moreover, certain unconventional measures with uncertain effects are being prepared or have just been launched (e.g. quantitative easing by the ECB and the Investment Plan of the European Commission). Forecasts by international institutions regarding GDP growth have otherwise improved in the past few months. Were the aforementioned measures to be successfully implemented, the economic recovery in Slovenia's main trading partners in the EU could be even faster than currently foreseen. Consequently, we estimate that the risks from the international environment are more balanced than at the time when previous forecasts were prepared. The same applies to domestic risks: with more favourable impacts from the international environment, the movements that make the largest contribution to GDP growth could strengthen more than expected in the baseline forecast. On the other hand, the main risk arises from the discrepancy between the commitments regarding fiscal consolidation and the still insufficiently defined measures for achieving these goals.

Spring forecast of Slovenia's main macroeconomic aggregates

	2014	Spring forecast (March 15)		
		2015	2016	2017
GROSS DOMESTIC PRODUCT				
GDP, real growth, in %	2.6	2.4	2.0	2.1
GDP in EUR m, current prices	37,246	38,558	39,474	40,701
EMPLOYMENT, EARNINGS AND PRODUCTIVITY				
Employment according to the SNA, growth in %	0.7	0.8	0.6	0.7
Number of registered unemployed, annual average, in '000	120.1	114.3	110.4	102.7
Registered unemployment rate, in %	13.1	12.5	12.0	11.2
ILO unemployment rate, in %	9.7	9.2	8.6	7.9
Gross earnings per employee, real growth, in %	0.9	1.1	0.8	0.9
- private sector activities	1.2	1.5	0.8	1.2
- public sector activities	0.7	0.8	0.8	0.5
Labour productivity (GDP per employee), real growth in %	2.0	1.5	1.5	1.4
EXTERNAL TRADE				
Exports of goods and services, real growth, in %	6.3	5.6	6.2	5.0
Exports of goods	7.2	6.3	6.7	5.2
Exports of services	2.5	2.6	4.2	4.2
Imports of goods and services, real growth, in %	4.1	5.2	4.7	5.2
Imports of goods	3.8	5.4	4.8	5.3
Imports of services	5.6	4.1	4.3	4.4
BALANCE OF PAYMENTS STATISTICS				
Current account balance, in EUR m	2,187	2,266	2,366	2,549
- as a % of GDP	5.9	5.9	6.0	6.3
External balance of goods and services, in EUR m	3,038	3,687	4,015	4,055
- as a % of GDP	8.2	9.6	10.2	10.0
DOMESTIC DEMAND				
Domestic consumption, real growth, in %	0.8	1.8	0.5	1.9
of which:				
Private consumption	0.3	1.1	1.6	1.8
Government consumption	-0.5	-0.4	-0.4	-0.2
Gross fixed capital formation	4.8	4.8	-2.0	4.0
<i>Change in inventories, contribution to GDP growth, in percentage points</i>	-0.2	0.2	0.1	0.0
EXCHANGE RATES AND PRICES				
USD/EUR exchange rate	1.329	1.137	1.135	1.135
Real effective exchange rate – CPI deflator	-0.3	-3.0	-0.5	0.0
Inflation (Dec/Dec)	0.2	0.4	1.4	1.3
Inflation (annual average)	0.2	-0.2	1.0	1.4
Oil price (Brent crude, USD/barrel)	98.9	60.0	69.0	73.0

Sources: Year 2014 SURS, BoS, ECB, EIA; years 2015–2017 IMAD forecasts.

The Spring Forecast is based on the statistical data, information and adopted measures known at the cut-off date of 6 March 2015.

spring forecast of economic trends 2015

1. Assumptions of the Spring Forecast of Economic Trends 2015

1.1. International environment

Economic activity in main trading partners will continue to recover throughout the 2015–2017 period.

GDP growth in the euro area strengthened slightly in the last quarter of 2014. Following the decline in 2013, GDP rose by 0.9% in 2014, primarily owing to higher household consumption and exports, though investment consumption remained weak. Confidence indicators indicate a further increase in economic activity at the beginning of this year. The key factors in improving growth prospects are stabilisation of financial markets, particularly the government bond market, a substantial decline in oil prices, improvement in price competitiveness owing to the weaker euro and, according to the ECB and the European Commission, the unconventional measures of the ECB (see Box 1) and the European Commission's Investment plan. The latest available forecasts from international institutions for GDP growth in Slovenia's main trading partners have thus improved, except for the outlook for Russia, which has deteriorated notably. The forecasts for the euro area by international institutions assume a further gradual strengthening of private consumption, which will be the result of increasing real disposable income on account of wage growth,

low inflation, lower energy prices and improved labour market conditions. A favourable situation on financial markets, together with the ECB's and the Commission's measures, should have a favourable impact on the supply of loans and hence investment. External demand should also strengthen gradually, while exports will also be favourably impacted by the lower value of the euro.

Figure 1: GDP growth in the euro area

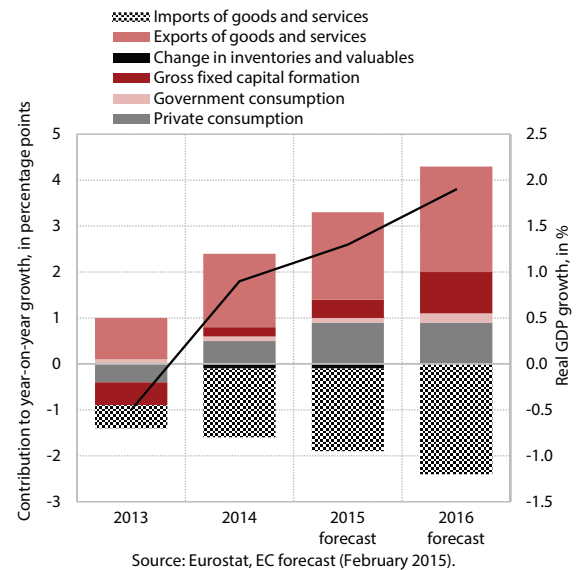


Table 1: Assumptions about economic activity in Slovenia's main trading partners

Real growth rates, in %	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
EU	1.3	1.5	1.7	2.0	2.0	1.9
Euro area	0.9	1.1	1.2	1.7	1.8	1.7
Germany	1.7	1.1	1.5	1.8	1.9	1.7
Italy	-0.4	0.2	0.5	1.0	1.2	1.2
Austria	0.3	0.9	0.8	1.5	1.6	1.6
France	0.4	0.8	0.9	1.5	1.6	1.6
Croatia	-0.4	0.2	0.2	1.1	1.0	1.8
Russia	0.5	0.0	-3.5	1.2	0.2	1.7

Sources: Eurostat, Consensus Forecasts (for 2014); Consensus Forecasts, February 2015; Eastern Consensus Forecasts, February 2015; EC Winter Forecast, February 2015; ECB staff macroeconomic projections, March 2015; IMF World Economic Outlook Update, January 2015; IMAD estimate.

Box 1: The ECB's measures and the situation on the financial markets in the euro area

In the past year, the ECB has adopted a number of measures to enhance the functioning of the monetary policy transmission mechanism, facilitate credit provision to the economy and stabilise inflation expectations. In 2014, the ECB continued with its expansionary monetary policy¹ and unconventional measures.² In March 2015, it launched an expanded programme of buying euro area government and corporate bonds, which should add liquidity to the banking system and boost credit growth. The ECB will allocate EUR 1,140 bn for purchases of government and corporate bonds combined (to EUR 60 bn per month). Purchases are intended to be carried out until the end of September 2016, or until inflation reaches the medium-term inflation rate goal, which is below or close to 2%.

The announcement of the expanded programme of buying euro area government and corporate bonds at the beginning of the year contributed to an additional decline in the value of the euro and a fall in the required yields of euro area government bonds. The value of the euro has plummeted against the other main world currencies in the past few months, reaching its ten-year low against the US dollar in February. In anticipation of the ECB's measures, the yields of euro area government bonds fell to all-time lows in February. The yields of bonds with a shorter maturity, which are also declining, fell into negative territory in some euro area countries.

Figure 2: Yields on 10-year government bonds

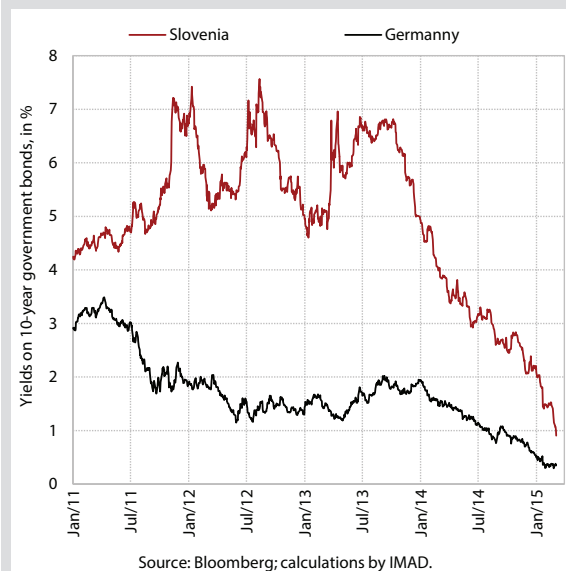
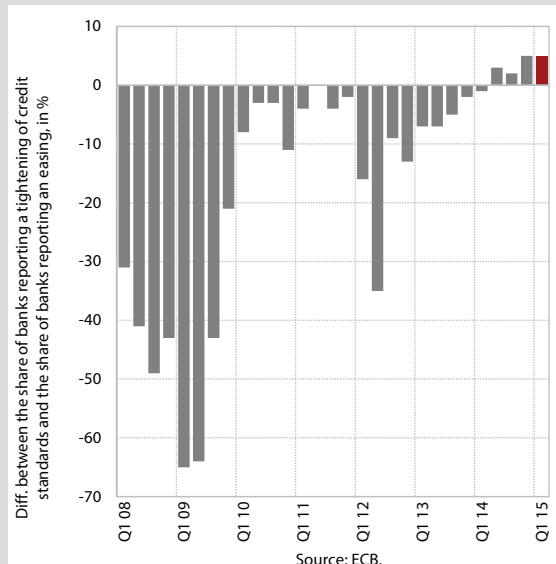


Figure 3: Lending conditions for enterprises in the euro area



With the easing of credit conditions for euro area enterprises, corporate demand for long-term loans rose significantly, as, for the first time in a long period, did demand for investment loans. According to the ECB's Euro Area Bank Lending Survey, credit conditions for enterprises improved further in the last quarter of 2014. The main factors in the improvement were higher bank liquidity and better access to funding on the market.³ Expectations of banks regarding the economic recovery in the euro area and individual sectors were also higher than in the preceding quarter. The Euribor interbank interest rates remain very low. ECB data show a positive net flow of corporate and NFI loans in the euro in the last quarter of 2014 and at the beginning of 2015, for the first time since the beginning of 2013

¹ In June 2014, the ECB cut the interest rates on the main refinancing operations to 0.05%, which is the lowest level since the introduction of the euro.

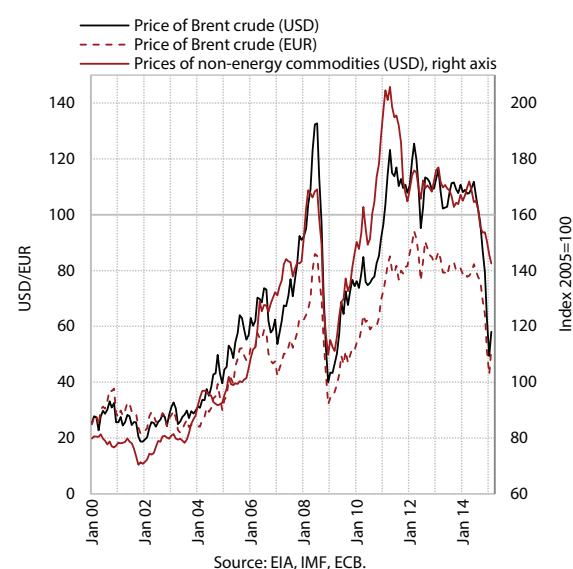
² The asset-backed securities purchase programme (ABSPP); the covered bond purchase programme (CBPP); targeted longer-term refinancing operations (TLTROs). Within the TLTROs, two auctions took place in 2014, when the participating banks were allotted EUR 212.4 bn in total in order to increase lending to the non-financial private sector. In January 2015, the ECB lowered the interest rates on the TLTROs, which will be equal to the rate on the main refinancing operations prevailing at the time when each TLTRO is carried out (0.05%). Six more TLTROs will be conducted by June 2016, with more than 20% of the surveyed banks planning to participate, while the majority of banks are still undecided, according to the ECB's January Bank Lending Survey.

³ According to data from the ECB Survey, 56% of banks that responded to the survey had participated in the TLTROs.

IMAD's spring forecast takes into account a significantly lower assumption of oil and other commodity prices.

Between June 2014 and January 2015 (when it reached USD 47.8/barrel), the dollar price of Brent crude fell by almost 60%, to reach its lowest level since 2009. After January's decline, oil prices surged in February (by around 20%), but remained some 50% lower than in June 2014. Based on futures prices, the technical assumption of the spring forecast for the average price of Brent crude in 2015 is USD 60/barrel, which is USD 13.4 lower than assumed in the previous forecast in December 2014. Oil prices in euros are also lower, but their decline is less pronounced due to the concurrent depreciation of the euro against the US dollar. According to the available data from futures contracts, oil prices should rise by an average of 15.0% to USD 69/barrel in 2016. The assumptions regarding non-energy prices are also lower than in the previous forecast, but their changes are much less pronounced than those of oil.

Figure 4: Oil and non-energy commodity prices



¹ Households and enterprises and NFIs.

² Since 2005.

1.2. Banking system

The situation in the banking system stabilised last year; it will continue to stabilise over the entire forecasting period. After the banks' balance sheet repair at the end of 2013, confidence in the banking system strengthened, which was reflected in increased deposits of the non-banking sector. The largest increase was recorded by private-sector deposits,¹ in the amount of EUR 2.3 bn, which is the highest figure since data have been available.² Repayments of matured liabilities to foreign banks moderated substantially last year; between September 2008 and the end of 2014, banks' repayments of foreign liabilities totalled EUR 12.1 bn. In the last quarter of 2014, the volume of non-performing claims shrank significantly, by EUR 1.8 bn to EUR 4.4 bn, accounting for 11.9% of the banking system's total exposure. Despite a relatively large decline in the volume and share of non-performing claims, the Slovenian banking system is still one of those with the largest shares of such claims. Its performance improved notably in 2014, which was reflected in a gradual improvement in its capital adequacy. This stood at 15.1% at the end of the third quarter, which ranks the Slovenian banking system among the medium-capitalised systems in the euro area.

Figure 5: Movement of the shares of non-performing claims in Slovenia and the euro area

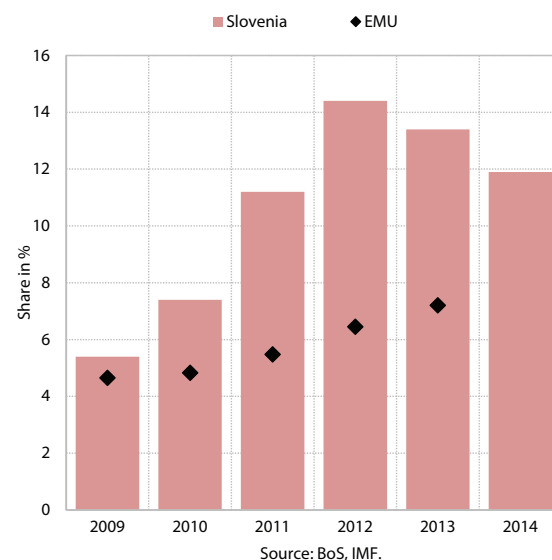


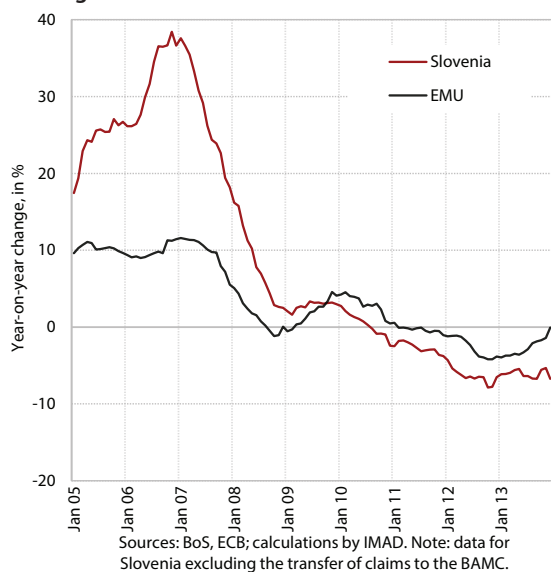
Table 2: Assumptions for prices of oil, non-energy commodities and USD/EUR exchange rate

	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
Brent crude price, in USD	98.9	73.4	60.0	78.4	69.0	73.0
Brent crude price, in EUR	74.4	59.2	52.8	63.2	60.8	64.3
Non-energy commodity prices, in USD, growth	-4.0	-1.3	-5.0	1.0	0.0	0.0
USD/EUR exchange rate	1.329	1.240	1.137	1.240	1.135	1.135

Sources: EIA, IMF, ECB, CME, IMAD estimate. Note: The oil price assumption is based on futures contract prices between 1 and 18 February, while the assumption for the USD/EUR exchange rate takes into account the average exchange rate in February.

The forecast assumes only a gradual increase in corporate and NFI loans. According to our estimates, the modest lending activity is a consequence of greater caution on the part of banks, which is also a limiting factor for those enterprises that are not over-indebted and do have business opportunities, but cannot fully exploit them because of the limited access to sources of finance. On the other hand, the lending activity of banks is also limited due to corporate indebtedness, which is still relatively high. The volume of loans to domestic non-banking sectors (excluding the transfer of claims to the BAMC) declined by EUR 1.8 bn in 2014: corporate and NFI deleveraging increased further, while debt repayments by households more than halved. Lending interest rates remain relatively high despite the decline in the past few months. For 2015, the forecast assumes moderate growth in household loans and a slower decline in corporate and NFI loans, while corporate and NFI deleveraging is expected to remain intense. The volume of corporate and NFI loans is anticipated to rise gradually over the next few years. According to our estimates, the ECB's measures of quantitative easing will have only a small effect on lending activity in Slovenia.

Figure 6: Change in the volume of loans to non-banking sectors in Slovenia and the euro area



1.3. Public finance

The spring forecast assumes a continuation of fiscal consolidation in the next few years. The general government deficit³ narrowed last year, while the borrowing terms for the government also improved considerably with the improvement in the general economic situation in Slovenia and internationally. The spring forecast assumes a continuation of fiscal consolidation in 2015, with a view to bringing the general government deficit below 3% of GDP; for this to be achieved, most of the intervention and temporary measures will remain in force in 2015 (see Box 2). Measures that have already made a significant contribution to growth in general government revenue in the last two years thus remain in place in 2015 (such as higher VAT rates and non-tax revenues); on the expenditure side, a significant decline has been achieved by measures relating to compensation of employees in the public sector and measures limiting growth in social transfers and benefits. With the adoption of the revised general government budget for 2015, some additional measures of a more permanent nature were implemented to increase revenue and reduce expenditure (e.g. certain tax increases and centralisation of public procurement). With the absorption of EU funds from the 2007–2013 financial perspective coming to an end, government investment is projected to increase again this year, before declining at the beginning of the new financial perspective. In view of Slovenia's international commitments and the adopted constitutional provision, fiscal consolidation is assumed to continue in the years to come.

We assume a high level of absorption of EU funds in 2015, but revenue from this source is likely to be significantly lower already in 2016. As the programming period for the absorption of EU funds under the 2007–2013 financial perspective expires at the end of 2015, Slovenia has recorded a faster absorption of EU funds and thus very high levels of government investment in the past two years. Under the new financial perspective (for 2014–2020), Slovenia is eligible for a smaller amount of EU Cohesion Policy funds than under the previous one,⁴ and within it, less funding will be allocated for infrastructure projects. Moreover, the absorption of funds may be delayed at the beginning of the programming period, as was the case in the previous programming period. In the first years of the new financial perspective, it will therefore not be possible to maintain government investment at such levels as have been seen of late, when a number of infrastructure projects co-financed by funds from the previous financial perspective have been rapidly reaching completion.

³ The general government deficit for 2014 is estimated at 5.3% of GDP; or 3.4% of GDP excluding the effects of one-off events (MF estimate: »Reasons for the revised budget for 2015«).

⁴ According to the Government Office for Development and European Cohesion Policy, Slovenia was eligible for EUR 3.73 bn of EU Cohesion Policy funds under the 2007–2013 financial perspective, while under the 2014–2020 financial perspective it was allocated EUR 3.26 bn.

Box 2: The temporary nature of fiscal consolidation measures

In the past few years, fiscal consolidation has mainly relied on temporary measures. The temporary nature of these measures with regard to the systemic regulations that would otherwise be in force is defined by the fact that they were adopted for a limited period, i.e. until the end of 2015 or, depending on the measure, until economic growth exceeds 2% or 2.5% of GDP. Temporary measures on the expenditure side limited pension expenditure (indexation of pensions and the level of annual pension supplements), expenditure on social transfers (indexation), family benefits and parental compensation, and social benefits. The provisions limiting employment in the public sector are also of a temporary nature, as is the agreement on earnings and other receipts in the public sector, which together determine, or limit, the level of compensation of employees in the public sector. The system of financing municipalities is also temporary. On the revenue side, VAT rates have been temporarily raised and a fourth income bracket introduced. The measures – which were designed as temporary but have already been extended – have now been in force for several years and show certain weaknesses. In the absence of other systemic measures, they are playing a significant role in reducing the general government deficit, though they are not sustainable in the medium term.

2. Forecast of economic growth in Slovenia

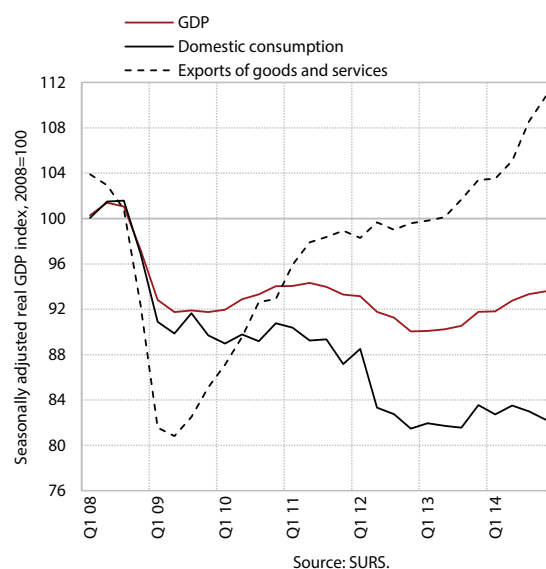
2.1. GDP – consumption aggregates

After two years of decline, in 2014, Slovenia's GDP recorded its strongest growth since the beginning of the crisis (2.6%). GDP, which stopped falling in the first quarter of 2013, continued to rise in 2014 (seasonally adjusted). The recovery of economic activity is attributable to improvements in the international environment and on financial markets, to greater competitiveness, and to domestic economic policy measures, particularly banking system restructuring and stronger investment activity on the part of the government.

The key driver of economic growth remained exports; domestic consumption also expanded for the first time since 2008. Export growth increased further (by 6.3%) and was among the strongest in the EU, which is explained by higher growth in external demand, gains in tradable sector competitiveness and certain one-off factors.⁵ Domestic consumption rose in 2014 for the first time since the start of the crisis, boosted primarily by stronger investment activity (4.8%), particularly due to investment in public infrastructure in connection with the higher absorption of EU funds prior to the expiry of the previous financial perspective. Positive trends were also observed in private investment in machinery and equipment, which is related to higher capacity utilisation and less limited access to sources of finance. After two years of substantial declines, household consumption also rose last year (by 0.3%) with the recovery on the labour market, while government consumption fell for the fourth consecutive year (–0.5%), due to the ongoing fiscal consolidation.

⁵ Such as increased exports of motor vehicles with the beginning of the production of two new car models.

Figure 7: GDP, domestic consumption and exports



Amid continued growth in exports and the strengthening of domestic consumption, Slovenia will record 2.4% economic growth this year. Economic activity will be impacted by the same factors as in 2014. Export growth will remain relatively strong, owing to a further improvement in the international environment coupled with the anticipated further gains in the competitiveness of the tradable sector. In view of the expected further increase in investment and private consumption, domestic consumption will make a larger contribution to economic growth than has been the case in recent years. Public investment related to the absorption of EU funds will again be up this year; private investment in machinery and equipment will also expand thanks to favourable export developments and less limited sources of funding. With a further improvement in the labour market, household disposable income will rise, which will be reflected in stronger growth in private consumption. As consumers are still cautious, private consumption will nevertheless remain modest. With fiscal restrictions still in effect, the decline in government consumption will be similar to that in 2014.

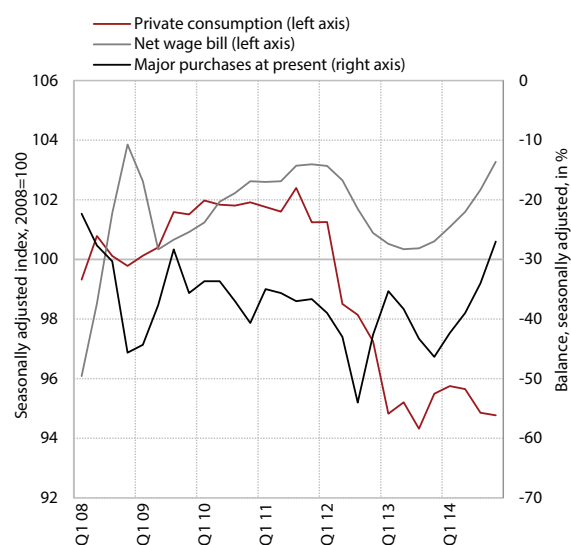
Table 3: Forecast for economic growth

Real growth rates, in %	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
Gross domestic product	2.6	2.0	2.4	1.7	2.0	2.1
Exports	6.3	4.7	5.6	5.3	6.2	5.0
Imports	4.1	4.1	5.2	4.5	4.7	5.2
External balance of goods and services (contribution to growth in percentage points)	1.9	0.7	0.7	0.9	1.6	0.4
Private consumption	0.3	1.1	1.1	1.6	1.6	1.8
Government consumption	-0.5	-0.6	-0.4	-0.6	-0.4	-0.2
Gross fixed capital formation	4.8	3.5	4.8	0.5	-2.0	4.0
Change in inventories and valuables (contribution to growth in (contribution to growth in percentage points))	-0.2	0.2	0.2	0.0	0.1	0.0

Source: SURS; 2015–2017 forecasts by IMAD.

Real growth in disposable income will strengthen this year; consequently, private consumption growth will also be higher than last year (at 1.1%). The total wage bill will rise again in 2015 amid further nominal growth in earnings and employment. Social benefits and transfers are expected to be up slightly due to a larger number of pensioners and the increased volume of annual pension supplements. The real-terms strengthening in disposable income will also be impacted by the expected deflation in the year as a whole. A further recovery in private consumption is also suggested by improvement in the consumer confidence indicator. Consumers are nevertheless expected to remain cautious about making purchases, not only given the still relatively high level of unemployment, but also due to the nature of the growth in employment, which in 2014 mainly stemmed from increased hiring of workers via agencies leasing labour. Confidence indicators show that growth in consumption, as in 2014, will be mainly underpinned by purchases of durables, which declined the most during the crisis.

Figure 8: Selected private consumption indicators



Source: SURS; calculations by IMAD.

Owing to the continuation of fiscal consolidation, the decline in government consumption (–0.4%) excluding public investment will be similar to last year. The decline will be attributable to the reduction in compensation of employees: average gross earnings will remain almost the same as in 2014, but we expect a decline in employment in the general government sector (–0.4%). Restrictions on expenditure on goods and services are assumed to remain in effect in 2015 due to financial constraints. The fall in social transfers in kind (expenditure on medicines, subsidies for school transport and school meals, etc.) seen since 2011 has been gradually easing; social transfers in kind are therefore projected to remain at the same level in 2015 as in 2014.

As a result of increased private and public investment, gross fixed capital formation will grow at the same rate as last year (4.8%). Growth in public investment, which is mainly attributable to the high absorption of EU funds, will continue this year, as 2015 is the last year when funds from the previous financial perspective can still be drawn. Such investment will otherwise see somewhat lower growth than last year. It will arise from investment from the state budget rather than local government investment. Private investment in machinery and equipment will also contribute to total investment growth this year. According to our estimates, investment activity in the tradable sector, particularly in manufacturing, will be favourably impacted by better business performance related to higher exports. The financing conditions will also be more favourable than in previous years. The growth of this investment will also be boosted by high capacity utilisation, which is already higher than before the crisis. Improvement in the indicators of current and expected demand suggests that, following a long period of decline, investment may also increase in service activities. Unfavourable movements thus persist only in investment in residential buildings, where we expect a further decline.⁶

⁶ The number of flats foreseen by issued building permits fell by 14.3% last year.

Box 3: Export competitiveness in 2014

The export competitiveness of the Slovenian economy continued to improve in 2014. After a pronounced decline in 2008–2012 (–22.4%), Slovenia's world market share rose in 2013 (3.5%). In the first nine months of 2014, its growth strengthened further (5.6%) as a consequence of a general increase in market shares on main regional and production markets and a concurrent more pronounced increase in the volume of trade in primary commodities. Market share growth was recorded in Germany, Italy, Austria, Croatia, France, Hungary, Poland, the United Kingdom, Russia, the US and Macedonia.¹ Growth was also recorded on most of our smaller EU markets.² The decline in the global market share relative to 2007 therefore decreased by around a third; on the markets of its main trading partners, Slovenia has already reached the pre-crisis level, while it has exceeded it in the EU as a whole. Broken down by key SITC sections, the market shares of paper and paperboard, metals and metal products, general industrial machinery, power-generating machinery and machinery specialised for particular industries, electrical machinery and appliances, road vehicles, miscellaneous manufactured articles, and oil and oil derivatives all increased in 2013 and 2014.³

Market share growth reflected a pronounced improvement in the cost competitiveness of the tradable sector,⁴ particularly manufacturing. Amid a nominal fall in the exchange rate of the euro, the improvement was a consequence of a more pronounced decline in unit labour costs under the impact of shrinking employment and growth in value added and of a moderation of wage growth, particularly after the increase in the minimum wage in 2010. Following significant deterioration of the situation in 2008 and 2009,⁵ real unit labour costs in manufacturing came close to the pre-crisis level in 2014 and were already lower than in the EU as a whole. As a result of the continuation of austerity measures, cost-competitiveness in the non-tradable sector improved only in 2014, when labour productivity increased more notably due to stronger economic growth.

Figure 9: Change in merchandise market shares

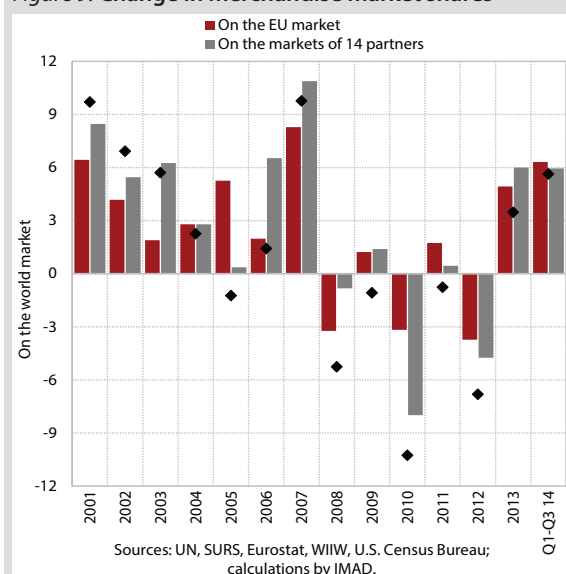
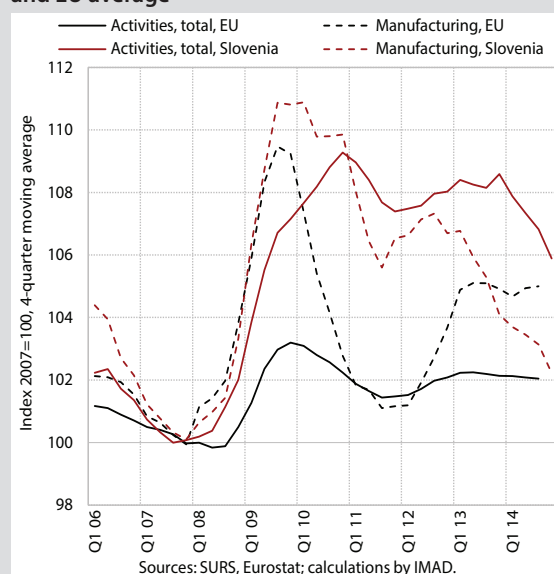


Figure 10: Change in real unit labour costs in Slovenia and EU average



¹ Among the 14 key trading partners, after 2012, Slovenia's market share declined only in the Czech Republic, Bosnia and Herzegovina, and Serbia.

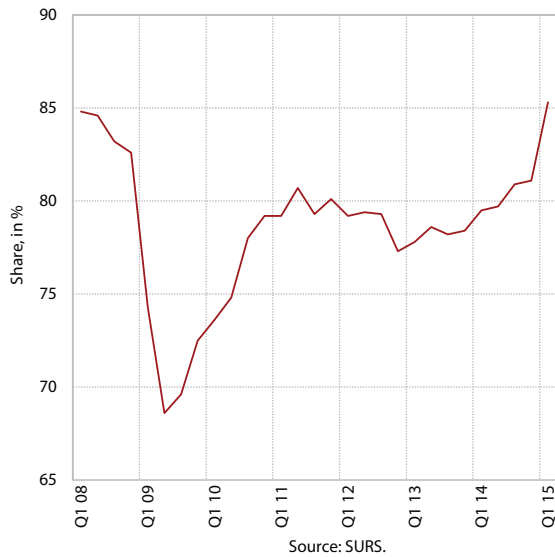
² In Belgium, Spain, Denmark, Greece, Ireland, Portugal, Luxembourg, Sweden, Latvia, Lithuania, Slovakia and Romania.

³ SITC sections with a 2% or greater share in total merchandise exports. Data refer to the EU market. Since Croatia's accession, Slovenia has been exporting three-quarters of its goods to the EU.

⁴ The tradable sector includes industry (B–E), distributive trades, accommodation and food service activities (G–I), information and communication activities (J) and agriculture (A).

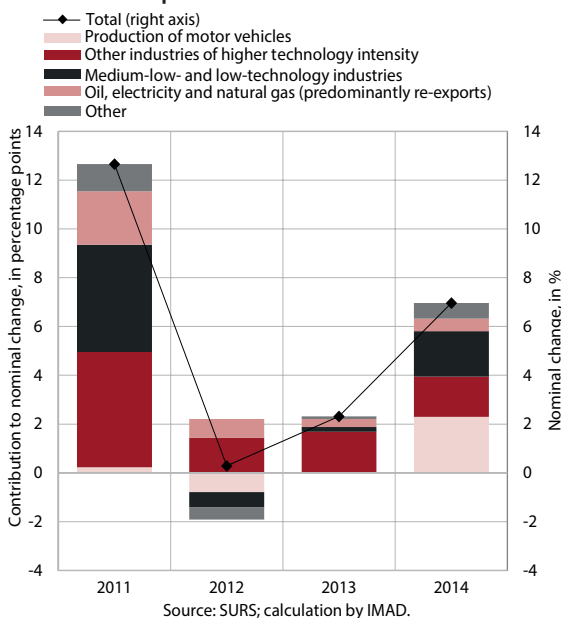
⁵ In 2008 and 2009, marked contraction of external demand led to an above-average decline in value added in manufacturing and, consequently, in labour productivity. Real growth in unit labour costs was therefore also higher despite the relatively modest growth of wages.

Figure 11: Capacity utilisation in manufacturing



With stronger recovery in the international environment and a further improvement in competitiveness, exports will continue to enjoy relatively strong growth in 2015 (5.6%). The growth of Slovenia's export markets⁷ will accelerate again, as economic growth will pick up this year in the majority of our main trading partners, according to the forecasts of international institutions. Growth will continue to rely primarily on exports to trading partners in the EU, but exports to outside the EU are also projected to increase gradually, partly as a result of the depreciation of the euro. With the expected further improvement in

Figure 12: Breakdown of the nominal change in merchandise exports



⁷ Real growth in imports of goods and services in trading partners weighted with the share of Slovenian exports of goods and services on the global market.

competitiveness, which will be reflected in continued market share growth, exports of most products will see stronger growth this year (see Box 3). The total growth of merchandise exports will be somewhat more moderate than last year due to the expected weaker growth of road vehicle exports, which with the start of production of two new car models significantly contributed to last year's relatively strong growth in total merchandise exports.⁸ Growth in services exports will be similar to that last year.

Owing to further growth in exports and stronger growth in domestic consumption, imports will see higher growth in 2015 (5.2%) than last year. This will be attributable to stronger growth in merchandise imports. The further recovery of private consumption will lead to higher imports of consumer goods, the expected growth in investment in machinery and equipment will be reflected in higher imports of investment goods, while growth in production volume in manufacturing will contribute to growth in imports of intermediates. Growth in services imports will slow.

In 2016 and 2017, economic growth will continue; the slowdown in 2016 will mainly be due to lower investment activity on the part of the government. Amid a further improvement in the international environment, exports will retain their relatively strong growth: according to the assumptions of international institutions, we expect growth in merchandise exports to main trading partners in the EU in particular to increase, while exports to outside the EU will also be gradually rising. Broken down by products, growth will rely on exports of more technology-intensive products. Growth in services exports will also pick up. Private investment in machinery and equipment will continue to increase in 2016 and 2017 as a result of the expected higher cash flow amid further growth in external demand and better access to financial sources under the assumption of a more stable situation on financial markets. Total investment consumption will nevertheless decline in 2016, as public investment will fall considerably after the expiry of the programming period for EU funds absorption. The absorption of EU funds is expected to decline due to the transition to the new financial perspective. Total investment growth will also be dragged down by investment in residential buildings, where no significant growth is projected, given the downward pressures on prices resulting from the large number of unsold flats (also as a result of bankruptcies), which lowers the profitability of the construction of new flats. Private consumption growth will rise gradually over the next two years, consistent with the expected growth of household disposable income. The increase in disposable income in 2016 will be mainly driven by higher growth in the total wage bill amid the recovering labour market conditions. Government consumption will decline slightly in the next two years due to the continuation of fiscal restrictions.

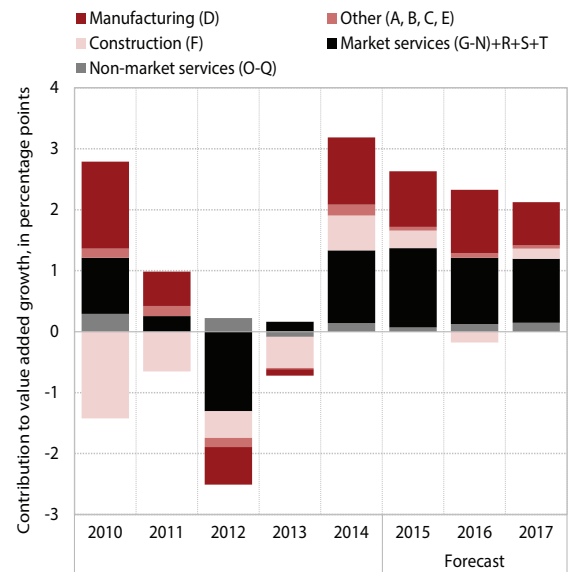
⁸ The manufacture of motor vehicles contributed 2.3 percentage points to last year's 7.0% nominal growth in total merchandise exports.

2.2. Value added by sector

After declining for two years, value added increased in most sectors in 2014. Strong value added growth in the construction sector (10.9%) after five years of decline was attributable to increased activity in the construction of civil-engineering works in the first half of the year, underpinned by the construction of municipal infrastructure related to the absorption of EU funds, while in the construction of buildings, recovery has yet to be seen. Significant value added growth was also recorded in manufacturing (4.9%). This mainly arose from higher export revenues, amid increasing demand in trading partners and improved competitiveness in manufacturing. Revenues on the domestic market also rose slightly last year for the first time since the beginning of the crisis. Industries of higher technology intensity remained the main engine of growth last year, though activity also increased in medium-low- and, to some extent, low-technology industries. Value added also rose in most market services, on account of stronger exports (particularly in freight transport, accommodation and food service activities and in the sale of motor vehicles), construction and manufacturing (professional, scientific and technical activities and wholesale trade). Owing to increased hiring of labour via employment agencies, a high level of activity was also recorded by administrative and support service activities. Following the banks' balance sheet repair and a gradual improvement of the situation in the banking sector, value added in financial and insurance activities rose last year after three years of decline. Growth was also recorded in public service activities, but remained very weak due to the continuation of austerity measures in the public sector.

This year and particularly in 2016, value added growth will slow. The slowdown will be mainly related to activity in construction, where this year value added growth will halve owing to lower growth in public investment. In 2016, activity in the construction of civil-engineering works is expected to fall due to the expiry of eligibility for EU funds from the previous financial perspective, while activity in the construction of buildings will not yet recover, according to data on issued building permits. The fall in construction activity will also translate into weaker growth in some sectors of market services, particularly professional, scientific and technical activities, and, partly, internal transport. Value added in manufacturing will continue to rise in 2015 and 2016 under the impact of increasing external demand and improving cost and export competitiveness (growth in market shares of merchandise exports). It will still be driven by the predominantly export-oriented industries of higher technological intensity. Amid further growth in exports and domestic production activity, coupled with a gradual recovery of private consumption, the growth of value added will be slightly higher in 2015 than in 2014 in most non-financial market services and will remain at similar levels in 2016. With a further improvement of the situation in the banking sector, positive developments are also projected for financial and insurance activities. In public services, value added will continue to stagnate or will recover only slightly in the next two years, due to the continuation of fiscal consolidation.

Figure 13: Change in value added

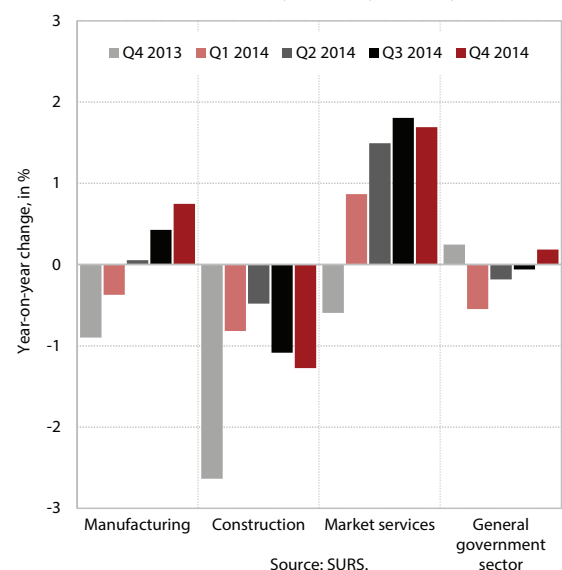


Source: SURS; forecast by IMAD.

2.3. Employment and unemployment

Amid growth in economic activity, employment will continue to recover this year (0.8%). Employment⁹ started to rise at the end of 2013; in 2014, its growth continued (seasonally adjusted) and averaged 0.7%. While employment was up in most private-sector activities, the strongest growth was recorded by employment activities, i.e. those involved in leasing labour to other sectors, which is explained by companies remaining cautious about hiring new staff in the early phase of the recovery. Total employment is projected to increase further in 2015. Growth will be recorded by the majority

Figure 14: Change in employment by activity



Source: SURS.

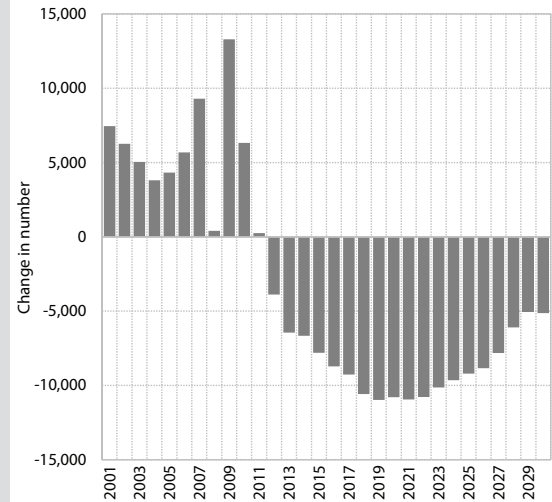
⁹ According to the national accounts statistics.

Box 4: Impact of demographic trends on the labour market

The number of people of working age (20–64 years) has started to decline in Slovenia. This is a consequence of differences between the generations entering and exiting from this population group. The numerous generations of 65-year-olds have started to be replaced by smaller generations of 20-year-olds born after 1990. According to demographic projections,¹ this process will continue for a longer period, as the more numerous generations born in the period up to 1980 will be exiting from the working-age population until 2045, while the sizes of generations of 20-year-olds will remain the same as today, or even grow slightly smaller. The number of the working-age population first declined in 2012, by almost 4,000 on average, then in 2013 by some 6,500. It is projected to decline by more than 9,000 on average per year in 2014–2020. These developments may have consequences in a number of areas. An increase in the older population, together with higher life expectancy, will, under the current retirement conditions, mean more pensioners and in turn higher pension expenditure. Projections also show a smaller number of insured persons, which will be reflected in a decline in contributions for the financing of pensions. One of the key assumptions of the projection is migration; this is in fact the most volatile factor. Projections show that the net migration in Slovenia will be around 4,000 persons per year in 2013–2020.

The decline in the number of people of working age in the coming years will be reflected in slower growth in the number of employed persons and a decline in the number of unemployed persons. The decline in the number of working-age people will affect both labour force supply and labour force demand in the years to come. With the recovery of the economy, the main factors in employment rate growth, according to our estimates, will be a decline in the number of inactive people and higher activity and employment rates in individual age groups, particularly among young and older people. The latter will also be impacted by the pension reform implemented in 2012. Demographic developments are also estimated to show in a somewhat faster decline in the number of the unemployed, whether directly, through retirement of unemployed persons, or indirectly, through stronger employment to replace those moving from work into retirement. Given that the working-age population will continue to decline after 2020, labour force supply could become an increasingly important factor limiting employment in the years to come.

Figure 15: Change in the number of the working-age population (20–64 years) by year



Source: SURS, EUROPOP 2013.

¹ EUROPOP2013.

Table 4: Forecasts for employment and unemployment

In %	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
Employment according to the SNA, growth	0.7	0.6	0.8	0.6	0.6	0.7
Number of registered unemployed, annual average, in '000	120.1	115.7	114.3	112.0	110.4	102.7
Registered unemployment rate	13.1	12.6	12.5	12.2	12.0	11.2
ILO unemployment rate	9.7	9.3	9.2	8.9	8.6	7.9

Source: SURS; 2015–2017 forecasts by IMAD.

of sectors. According to our estimates, enterprises will remain cautious about hiring and will continue to employ some of their workforce through employment agencies. In view of fiscal restrictions and the adopted measures, employment is expected to decline further in the general government sector.

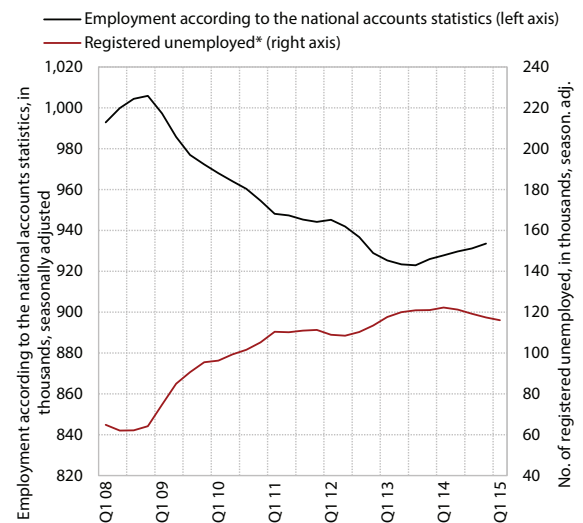
In the next two years, employment is projected to see further growth, but it will be somewhat weaker than this year owing to the slowdown in economic growth.

The recovery in employment will be driven by sectors seeing a rebound in activity. Employment in the general government sector will be up somewhat in 2017 after several years of restrictions, but its growth will be rather modest due to the ongoing fiscal constraints.

With the recovery of the economy and growth in employment, registered unemployment will decline gradually in 2015–2017. The number of registered unemployed has been falling since April 2014 (seasonally adjusted) as more people were being hired while fewer lost their jobs for business reasons or due to the termination of their fixed-term contracts. At the end of February this year, 122,552 persons were registered as unemployed, 5.6% fewer than in the same month of 2014. Reflecting the expected further recovery of economic activity, registered unemployment will continue to decline in 2015. The inflow into unemployment, in particular of those unemployed who lose their jobs for business reasons, will decrease further. The number of first-time jobseekers will also be slightly smaller thanks to more favourable prospects for employment and, according to our estimates, a smaller generation of young people finishing school. The outflow from unemployment into employment will also remain at roughly the same high level as last year. The number of registered unemployed will decline further in the next two years, albeit somewhat more slowly in 2016 due to the moderation of economic growth. The decline in unemployment in the coming years will be additionally impacted by demographic trends related to the increasing number of older people, whether directly, as some of the unemployed will enter into retirement,¹⁰ or indirectly, through replacement of the active population retiring from the labour market (see Box 4).

¹⁰ It is assumed that the share of the outflow from unemployment into retirement in the total outflow will gradually increase.

Figure 16: The number of employed and the number of registered unemployed



Sources: SURS, ESS; calculations by IMAD. Note: *data for Q1 2015 is the average of January and February.

2.4. Earnings

After two years of stagnation, average gross earnings were up 1.1% in 2014; they are also expected to increase in 2015 (0.9%), again mainly owing to growth in the private sector.

The growth of private-sector earnings strengthened last year (from 0.6% to 1.4%), primarily as a result of higher basic earnings and – for the first time in three years – somewhat higher extraordinary and overtime payments. Last year, earnings were up in the majority of activities;¹¹ as in 2013, outstanding growth was recorded in industry (3.2%), including manufacturing, where it strengthened further. Higher earnings were also recorded in the majority of market services. Similar movements in earnings by groups of private-sector activities are also expected this year, but despite a further increase in economic activity and labour productivity, the nominal growth of average gross earnings in the private sector (1.3%) is not projected to be higher than in 2014, given the absence of inflationary pressures,

¹¹ They remained down only in accommodation and food service activities (I), real estate (L), arts, entertainment and recreation activities (R), and other activities (S).

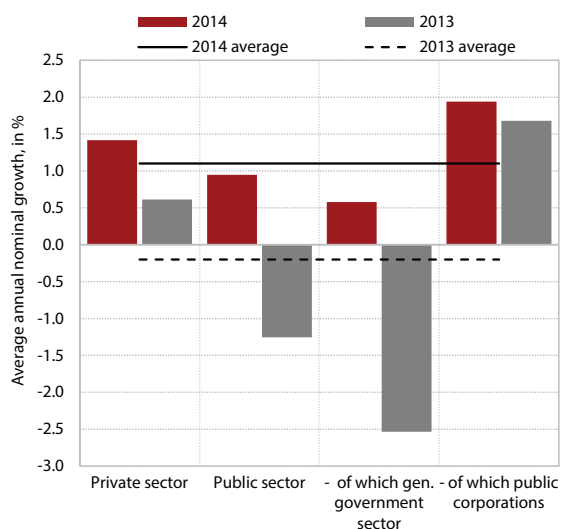
Table 5: Forecasts for average growth in gross earnings per employee

Growth rates, in %	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
Gross wage per employee – nominal	1.1	1.0	0.9	1.9	1.8	2.3
- Private sector	1.4	1.5	1.3	1.9	1.8	2.6
- Public sector	0.9	0.5	0.6	1.8	1.8	1.9
Gross wage per employee – real	0.9	1.0	1.1	1.3	0.8	0.9
- Private sector	1.2	1.5	1.5	1.3	0.8	1.2
- Public sector	0.7	0.5	0.8	1.2	0.8	0.5

Source: SURS; 2015–2017 forecasts by IMAD.

companies' efforts to maintain a competitive position and the still high unemployment. In the public sector, average gross earnings will rise again this year (0.6%). However, their growth will be somewhat slower than last year, when it was significantly impacted by the increase in the government sector, which was mainly due to the beginning of the payment of the suspended promotions of public servants and the expiry of the effect of austerity measures from the middle of 2013. As the majority of austerity measures¹² will remain in effect, average earnings in the government sector will remain at last year's level in 2015. Their dynamics will be attributable to the effect of the payment of the suspended promotions for last year, additional restrictions on performance-based payments related to increased workload, and regular promotions, which will be paid at the end of the year. As a result of the deflation expected in the year as a whole, private- and public-sector earnings will see somewhat higher growth in real terms in 2015 than in 2014.

Figure 17: Average gross earnings per employee by sector



Source: SURS, calculations by IMAD.

¹² All measures from 2014 related to wage growth were extended into 2015, with the exception of public servants' promotions, as promotions for 2015 will be paid for the first time in December (the same applies for 2016) – see the Agreement on Measures in the Field of Salaries and Other Labour Costs in the Public Sector Aiming to Balance Public Finances for 2015, Official Gazette of the Republic of Slovenia, No. 95/2014).

In 2016 and 2017, nominal growth in average gross earnings is expected to accelerate gradually in both the private and public sectors. The moderate and gradual strengthening of wage growth in the private sector in the next two years will arise from the expected economic recovery and a further increase in productivity, while the limiting factors to growth will remain the same as this year. The stronger growth of average gross earnings in the public sector in the next two years will be the result of the already agreed payments of regular promotions in the general government sector and a further gradual increase of earnings in public corporations. In view of the fact that the fiscal situation remains tight, the restrictions on faster wage growth are assumed to remain in place. With the assumed price growth in 2016 and 2017, the real increase in average gross earnings will be somewhat more modest in both these years than in 2015.

2.5. Inflation

Energy prices will have a crucial impact on this year's movements in inflation, which has been declining in the past two years due to external and domestic factors and is hovering close to zero. The disinflationary and deflationary movements in the past two years have been strongly impacted by external factors (oil and commodity prices). According to our estimates, inflation has also been impacted by weak domestic demand in recent years and the internal adjustment of relative prices, which is reflected in the lowering of unit labour costs (see also Box 3). The share in the consumer price index of goods and services with very low price rises (or even declines) is thus rising. Particularly the impact of external factors, i.e. the falling oil price on global markets, increased in the second half of 2014 and in the first two months of 2015. The oil price was as much as 42% lower year-on-year in January and February 2015 as a whole.¹³ This translated into lower energy prices, which reduced inflation by 0.6 percentage points in 2014 and as much as 0.9 percentage points year-on-year in the first two months of 2015. Taking into account the assumed oil price decline, we assume that energy prices and, consequently, headline

¹³ The price of Brent crude averaged EUR 46.1/barrel in January and February this year.

Box 5: Inflation in the euro area

Price movements in the euro area remain under the impact of similar factors as in the domestic environment; price movements will remain moderate this year, according to the European Commission and the ECB, while in the next two years, inflation is projected to increase slightly. Last year's price movements in the euro area, as in Slovenia, were mainly impacted by lower energy prices (−1.0 percentage points, year-on-year), a positive contribution to inflation being made only by prices of services (0.4 percentage points). This year, prices are continuing to fall, the main reason, as in Slovenia, being energy price movements, which are impacted by lower oil prices on world markets. The latter will continue to make a negative contribution to energy prices this year, while most other goods will see moderate growth. With the foreseen further recovery of the euro area economy, the ECB also expects a gradual increase in inflation in 2016 and 2017, to 1.5% and 1.8% respectively. Amid the expected rebound in demand, the higher inflation will mainly be due to higher energy prices, which will make a larger contribution to price growth in the next two years due to the base effect (low base in 2015).

Figure 18: Contribution of selected groups to year-on-year inflation in the euro area (HICP)

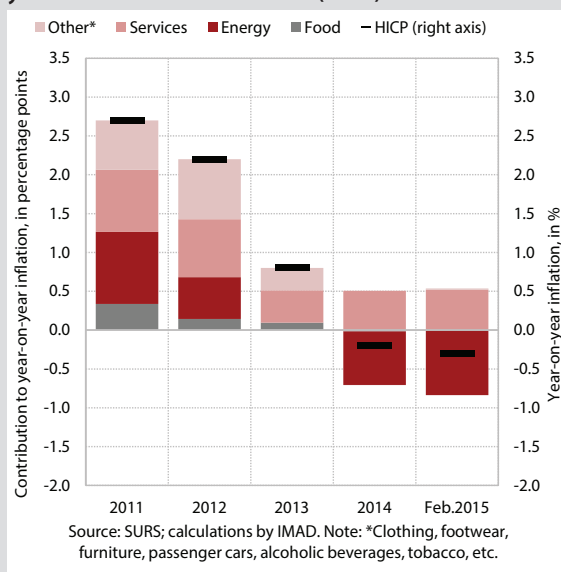
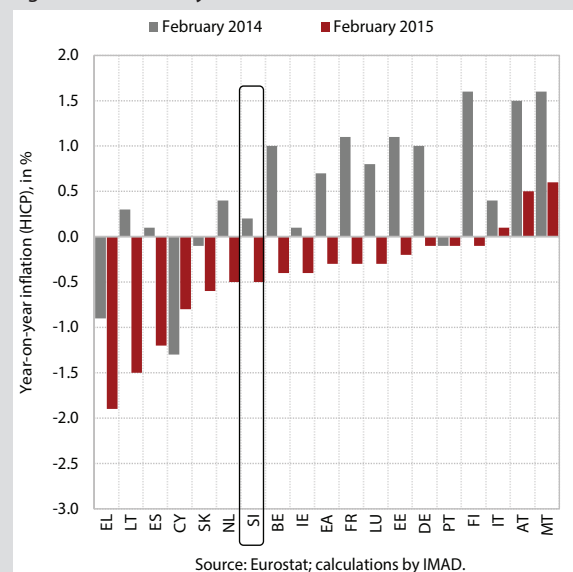


Figure 19: Year-on-year inflation in euro area countries



inflation will continue to fall year-on-year in the coming months, although not as rapidly as at the beginning of the year; there will also be a pass-through of lower prices of energy commodities to other prices. Food prices, which declined in 2014, are expected to see modest growth this year, arising from somewhat higher prices of unprocessed food. Following last year's decline, prices of non-energy goods, particularly semi-durables, will rise slightly with the expected modest recovery in private consumption. In the absence of the impact of some one-off factors, services prices will see more moderate growth than in 2014.¹⁴ The total price level will thus remain more or less unchanged in 2015, while average inflation will total −0.2%, particularly due to the expected year-on-year deflation in the first half of the year.

¹⁴ Vzajemna, a health insurance company, reduced supplementary health insurance premiums again last year, which was reflected in significantly lower growth in the health insurance sector. Unlike in 2013, when this occurred in December, in 2014, premiums were lowered in November, which made a significant impact on monthly and year-on-year inflations rates in November and December.

Figure 20: Contribution of selected groups to year-on-year inflation in Slovenia (HICP)

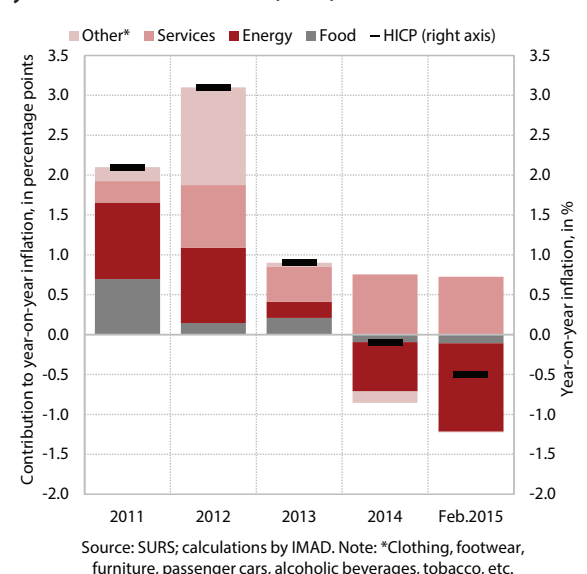


Table 6: Inflation forecast

In %	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
Inflation – Dec/Dec	0.2	0.1	0.4	1.0	1.4	1.3
Inflation – annual average	0.2	0.0	-0.2	0.6	1.0	1.4

Source: SURS; 2015–2017 forecasts by IMAD.

With the expected further recovery of economic activity and the assumed prices of oil, inflation will rise somewhat in the next two years. Amid a gradual recovery in household consumption, price growth is also expected to be somewhat higher in the next two years. The main factor in price growth will remain higher prices of services, but growth in prices of other goods will also gradually strengthen. Taking into account the assumptions for the movements of oil and other commodity prices, the contribution of energy and food prices to inflation will also increase in the next two years.

2.6. Current account of the balance of payments

The surplus of the current account of the balance of payments, which in 2014 was the widest on record, will remain similarly high in 2015–2017.¹⁵ The current account has recorded a surplus since 2011, becoming the widest ever in 2014 (5.9% of GDP) under the impact of the six-year deleveraging in the private sector. The excess of savings over investment in the private sector is due to the weak investment activity of this sector, although it is also explained by banks being cautious about granting loans and limited demand by highly indebted companies for new sources of funding for investment (see also section 1.2 – “Banking system”). The faster growth of exports over imports is estimated to be also due to gains in tradable sector competitiveness, particularly in the past few years. As similar movements are expected to continue, the current account surplus will remain high in 2015–2017. The widening of the merchandise trade surplus will ease this year amid lower real growth in exports and higher growth in imports underpinned by stronger domestic consumption. Like in 2014, its growth will be impacted by improved terms of trade.¹⁶ In the next two years, the merchandise trade surplus will remain similarly high. The

surplus in services trade will remain almost unchanged in 2015, amid a larger surplus in trade in traditional services (travel and transport) and a larger deficit in trade in all other services. In 2016 and 2017, the surplus of trade in services is expected to strengthen slightly. The deficit in primary income with the rest of the world will continue to widen in 2015 and in 2016, the main factor being rising government debt servicing costs. Furthermore, net outflows of dividends from equity capital of direct investment are projected to increase gradually; net inflows of labour income of daily migrants abroad are expected to remain relatively high. The deficit in secondary income will continue in the entire forecasting period, the main reason being net payments of private-sector transfers. Its increase in the next two years will be the result of the assumed lower absorption of EU funds at the transition to the new financial perspective.

Figure 21: Decomposition of changes in the nominal balance of merchandise trade

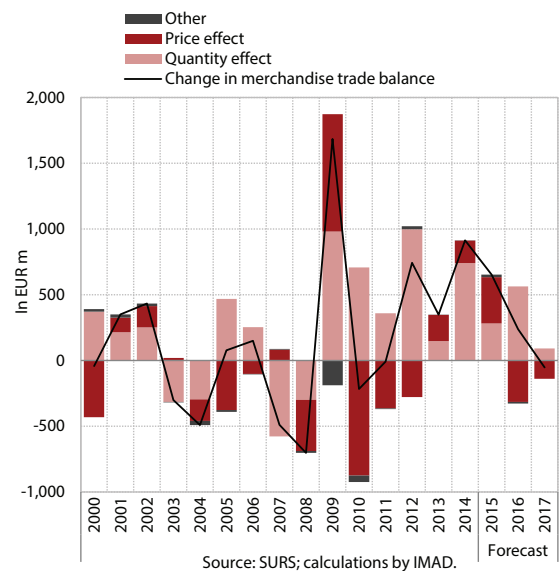


Table 7: Forecast for the current account balance (according to the balance of payments statistics)

	2014	2015		2016		2017
		December 2014	March 2015	December 2014	March 2015	March 2015
Current account, in EUR m	2,187	2,314	2,266	2,209	2,366	2,549
Current account, as a % of GDP	5.9	6.1	5.9	5.7	6.0	6.3

Source: BoS; 2015–2017 forecasts by IMAD.

¹⁵ According to the balance of payments statistics.

¹⁶ Owing to energy price rises, import prices will rise faster than export prices in the next two years; the impact of the external price effect on the nominal merchandise trade balance will therefore be negative, at EUR 100 m in the period (2015–2017) as a whole.

3. Risks to the forecast

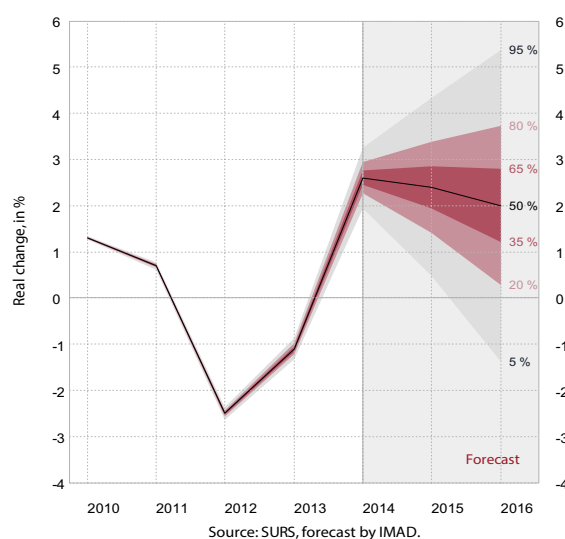
As the recovery of economic activity and the labour market situation remain fragile, the baseline scenario of the spring forecast is associated with downside risks, but they are easing in comparison with previous forecasts. International economic activity is still fairly volatile; moreover, certain unconventional measures, whose effects are still uncertain, are being prepared or have just been launched (e.g. quantitative easing of the ECB and the Investment Plan of the European Commission). Forecasts by international institutions regarding GDP growth have otherwise been improving in the past few months. If the aforementioned measures were successfully implemented, the economic recovery in Slovenia's main trading partners in the EU could be even faster than currently foreseen. Consequently, we estimate that the risks posed by the international environment are more balanced than at the time when previous forecasts were made. The same applies to risks in the domestic environment: in the event of more favourable impacts from the international environment, the factors that play the greatest role in GDP growth could strengthen more than expected in the baseline scenario of the forecast. The downside domestic risks arise from the discrepancy between the commitments regarding fiscal consolidation and the still insufficiently defined measures for achieving these goals.

The risks arising from the international environment are more balanced than in previous years. International institutions have improved their forecasts for economic growth in the majority of Slovenia's trading partners since the latest IMAD forecast was made. If the new measures of the ECB and the Commission prove to be more effective than assumed, growth could even be stronger than anticipated in the latest forecasts. On the other hand, downside risks remain associated with geopolitical tensions (Ukraine), slower recovery of domestic demand than currently foreseen, and a potential deterioration in the situation on financial markets. In view of significant changes in recent months, a major risk to the forecast for GDP growth and inflation also stems from the movement of oil and other commodity prices.

The risks from the domestic environment are mainly related to the uncertainty about the continuation of fiscal consolidation. The baseline scenario of the spring forecast assumes further consolidation of public finances, which was largely based on temporary measures in previous years. If only a few of these measures were lifted and the systemic regulations were to once again enter into force, it would be difficult for Slovenia to fulfil its commitments regarding the reduction of the general government deficit, according to our estimate; should all temporary measures be repealed, Slovenia's fiscal stance would deteriorate significantly. Furthermore, the selected measures may have a different effect on economic activity than assumed in the baseline scenario of the forecast. The risks are also associated with the attainment of the

targets for EU funds absorption, which can significantly alter expectations regarding investment activity. As 2015 is the last year when funds from the previous perspective can still be drawn, the forecast also assumes a high level of EU funds absorption in 2015. Given past experience, this goal may not be fully achieved, although a number of measures were adopted to accelerate absorption. The risks to the spring forecast are also related to the expectations regarding the recovery in lending activity, which is still declining despite the banking system stabilisation. The slower-than-assumed recovery of lending activity could also be reflected in a slower rebound in economic activity. Recovery in the next few years will also depend on a successful implementation of structural reforms.

Figure 22: Baseline forecast of real GDP change and distribution of expected risks



4. Potential GDP growth and output gap

The calculation of potential GDP¹⁷ growth is based on the methodology of the European Commission. IMAD's calculation uses a production function method whose basic attributes do not differ from the Commission's method.¹⁸ The differences between the new calculation by IMAD and the most recent calculation of the Commission (February 2015) are mainly the result of differences in input data¹⁹ and the different forecasts on which they are based (the Commission's winter forecast from February 2015 and the spring forecast by IMAD from March 2015). The IMAD forecast also covers a longer period. The duration of the time series is important particularly in assessing the natural unemployment rate (NAWRU). The new NAWRU estimates, based on the New Keynesian Phillips curve, show that the NAWRU did not increase significantly in Slovenia during the crisis. This is also indicated by the unchanged position of the Beveridge curve.²⁰

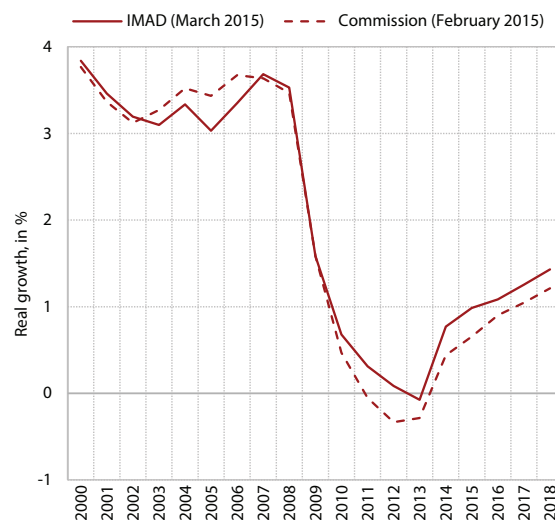
Strong GDP growth in 2014 and a higher forecast for the next few years are also reflected in higher growth in potential GDP. In the medium term, potential GDP growth will gradually approach 2% from the lowest level recorded in 2013, but will remain far from pre-crisis levels. For potential growth to reach similar levels to those in 2000–2008, it is thus essential to increase the contributions of capital and total factor productivity. Given Slovenian companies' relatively high indebtedness and the need for their further deleveraging, in order to increase investment (and thus the contribution of capital to potential growth), more equity capital will be necessary, including in the form of foreign direct investment. This requires changes in the broader economy that will encourage engagement of equity capital for investment in Slovenia. The differences in calculating potential growth relative to the autumn forecast 2014 (0.4 percentage points higher potential GDP growth in 2010–2015, on average) are the result of higher forecasts for GDP growth and improved expectations for labour market conditions in the coming years compared with IMAD's autumn forecast.

¹⁷ I.e. potential output (and its growth) from the macroeconomic perspective. Potential output is output an economy could possibly achieve without creating inflationary pressures and not the maximum possible output of an economy. This means that output is often higher than potential output in the macroeconomic sense.

¹⁸ For a more detailed description of the Commission's methodology see Havik K., K. Mc Morrow, F. Orlandi, C. Planas, R. Raciborski, W. Roeger, A. Rossi, A. Thum-Thysen, V. Vandermulen (2014). The Production Function Methodology for Calculating Potential Growth Rates & Output Gaps. Economic Papers 535. European Economy. The cyclical component of TFP and unemployment (the NAWRU) were estimated using the GAP programme (Christophe Planas and Alessandro Rossi, European Commission, Joint Research Centre, 2010) available at eemc.jrc.ec.europa.eu/Software-GAP.htm. The cyclical component of TFP was estimated using the series of capacity utilisation in a bivariate unobserved component model. The NAWRU was calculated using a New Keynesian Phillips curve, which postulates a negative relationship between cyclical unemployment and the expected growth rate of real unit labour costs.

¹⁹ IMAD's calculation is based on SURS data on GDP growth for 2014, released after the Commission's winter forecast was made. In the

Figure 23: Potential GDP growth, comparison of calculations by IMAD and the European Commission



Source: SURS; calculations by IMAD, European Commission.

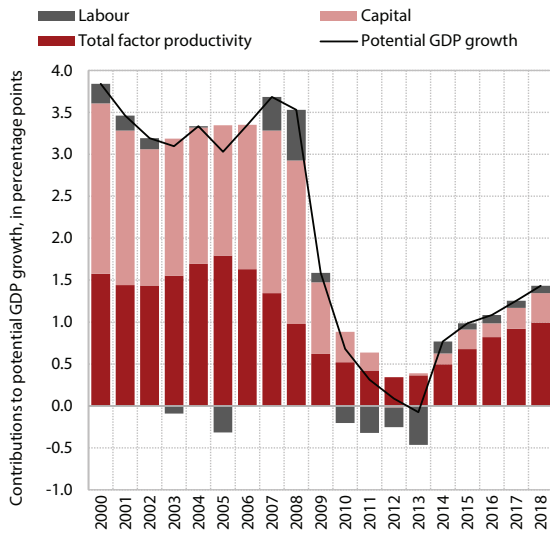
All components of the calculated potential growth will be positive in the coming years. The contribution of capital will otherwise remain lowest relative to the pre-crisis period. After a significant decline in 2009, the contribution of capital declined further to reach zero in 2012–2013. According to the calculations, it will strengthen in the medium term but will not reach the levels recorded before the crisis. The contribution of labour, already relatively low in the pre-crisis period (up until 2008), was negative in 2010–2013 (-0.3 percentage points on average). The main reason for the negative contribution of labour in this period is the decline in the population of active working age; the NAWRU also rose slightly.²¹ The contributions of hours worked per employee were also negative until 2012. The impact of the decline in the population of active working age (according to IMAD's demographic projections) has been continuously negative at around 0.2 percentage points since 2011 and continuing into the medium term, while the contribution of the participation rate will be positive in the medium term. The contribution of total factor productivity also diminished with the outbreak of the crisis, but a gradual recovery can be expected in this component, although not to the pre-crisis level.

employment series according to national accounts statistics, IMAD's calculation takes account of a correction for the break in the data series in 2002.

²⁰ The Beveridge curve shows the relationship between unemployment and the job vacancy rate (or the lack of labour force). For more see Development Report 2015 (forthcoming).

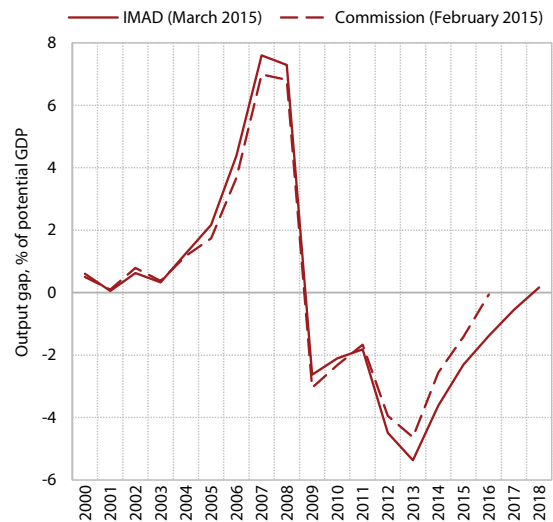
²¹ The NAWRU calculations take account of the forecasts for the survey unemployment rate, which indicate a reversal in 2013. The NAWRU is estimated by a bivariate unobserved component model using the real unit labour costs growth series in addition to the unemployment series. According to these estimates, the NAWRU is just above 7% (compared with 7% before the crisis), which means that it did not increase significantly during the crisis. The stability of the NAWRU is also indicated by the calculation of the Beveridge curve, where no major shifts can be seen.

Figure 24: Contributions of individual components of potential GDP growth



Source: SURS; calculations by IMAD, European Commission.

Figure 25: Production gap, comparison of calculations by IMAD and the European Commission (EC)



Source: SURS; calculations by IMAD, European Commission.

The relatively wide negative output gap will be narrowing gradually. The output gap is the difference between actual GDP and potential GDP, expressed as a percentage of potential GDP. Because of revisions in the estimates of potential growth and changes in the forecasts for GDP, the output gap is a rather instable macroeconomic indicator, as its value can also change significantly for previous periods when new calculations are made. It is nevertheless one of the key indicators used within the euro area's framework of fiscal surveillance (the Fiscal Compact)²² to monitor progress and the achievement of fiscal targets in individual Member States. The disparities between IMAD's and the Commission's calculations of the output gap are attributable to the differences in calculating potential GDP and in input data, particularly a lower estimate of natural unemployment (see also note 21).

²² The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union. For more on these see Economic Issues 2014, Fiscal developments and fiscal policy.

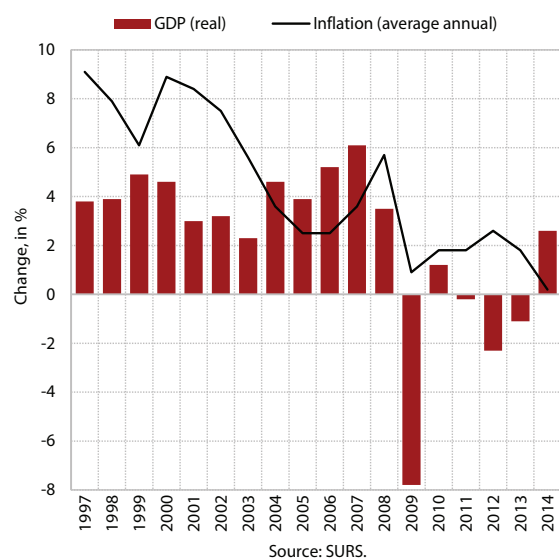
Appendix

1. Assessment of forecasting performance

1.1. Methodology

The accuracy of the forecasts for macroeconomic indicators is measured on the basis of a number of statistical criteria²³ for the quality of the forecast and for various time horizons. The assessment of the forecasts by two institutions (IMAD and SKEP) is based on a longer horizon, from 1997 to 2014. The analysis for the 2002–2014 period captures forecasts by 6 institutions,²⁴ and for the previous year, forecasts by 8²⁵ institutions. All forecasts²⁶ have been compared against the first statistical annual estimate of economic growth based on quarterly data. A systematic comparison of how the forecasts diverge from the statistical estimate over a longer time horizon reveals the accuracy of forecasting, i.e. the mean errors made by institutions in forecasting a given aggregate. If errors are distributed evenly, the value of this measure is close to zero.

Figure 26: Movement of variables included in the analysis of forecasting performance



²³ Mean error, mean absolute error, root mean square error, standardised mean absolute error and standardised root mean square error. For detailed results see Table 12 in the statistical appendix.

²⁴ In addition to the forecasts by the Institute of Macroeconomic Analysis and Development (IMAD), the analysis covers forecasts by: the Bank of Slovenia (BoS) and SKEP – Economic Outlook, Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, and among international institutions, the European Commission (EC), the International Monetary Fund (IMF) and Wiener Institut fuer Internationale Wirtschaftsvergleiche (WIIW).

²⁵ In addition to the aforementioned six institutions, the Organisation for Economic Co-operation and Development (OECD) and Consensus.

²⁶ Spring forecasts for the year ahead (Pnt+1), autumn forecasts for the year ahead (Jnt+1), spring forecasts for the current year (Pnt) and autumn forecasts for the current year (Jnt).

The institutions that release their forecasts at a later time have an advantage in terms of information over other institutions, which can be seen in smaller forecast errors. In forecasting the movements of economic variables, forecasters face various limitations, such as the availability of data at the cut-off date, which change with time. In analysing forecasts it is thus important to take into account the time when they were made: if the forecast is made later in the year, it may include new information that can considerably alter the economic picture. This new information may comprise on-going data on the movements of indicators in a given month or quarter, revisions of previously released figures, or changes in assumptions about the international environment, which are a strong element of uncertainty for an open economy such as Slovenia's. All institutions included in the analysis tend to release their forecasts twice a year, most of them at a later time than IMAD.

Figure 27: Timeline of forecasts released by individual institutions in 2014

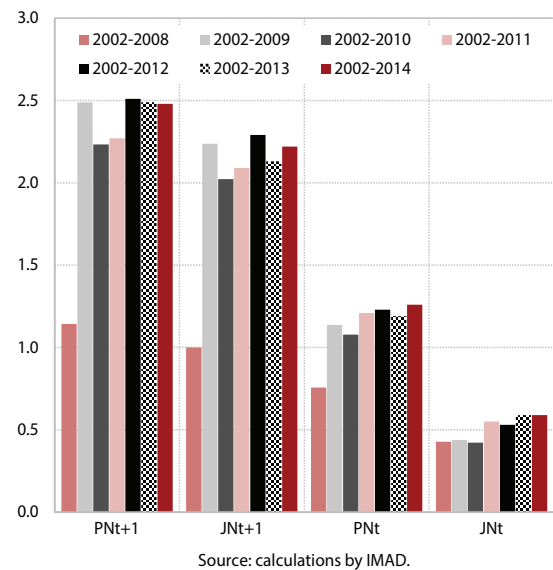
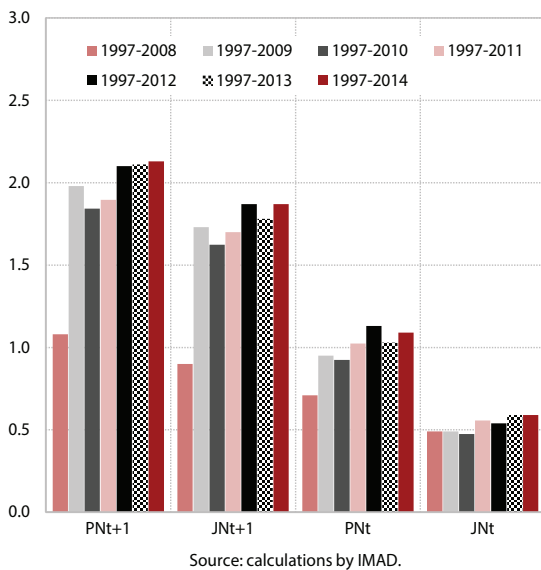
Jan			
Feb			
Mar	IMAD	Consensus Forecasts	WIIW
Apr	BoS	IMF	
May	EC	OECD	
Jun			
Jul	SKEP		
Aug			
Sep	IMAD	BoS	Consensus Forecasts
Oct	IMF	WIIW	
Nov	EC	OECD	
Dec	SKEP		

Source: Forecasts by individual institutions.

1.2. Results

Comparisons of forecasting performance by IMAD and other institutions show no systematic over- or underestimation in IMAD forecasts over a longer period of time. In assessing the performance of forecasts it is important that their mean error over a longer time horizon be as small as possible. After the release of data for economic activity and inflation in 2014, we assessed the forecasting performance of domestic and foreign forecasting institutions. Between 1997 and 2013, the mean absolute error in IMAD forecasts for real GDP growth for the *current* year was 1.09 percentage points in the spring forecasts and 0.59 percentage points in the autumn forecasts; for the year ahead, it amounted to 2.13 percentage points in the spring forecasts and 1.87 percentage points in the autumn forecasts. The mean absolute error in the forecasts for inflation for the *current*

Figure 28: Mean absolute error in IMAD forecasts for real GDP growth for various periods



year totals 0.47 percentage points in the spring forecasts and 0.19 percentage points in the autumn forecasts; for inflation in the year *ahead*, it is 1.13 percentage points in the spring forecasts and 1.02 percentage points in the autumn forecasts. These values show that IMAD forecasts are unbiased.

The measurements of forecasting performance measures for the longer time horizon were significantly affected by large errors in the forecasts for 2009, 2011 and 2014. If the analysed time horizon is relatively short, any error (whether in the positive or negative direction) can significantly affect the conclusions of the previous performance analyses. In the period up to the beginning of the global economic and financial crisis in 2009, when Slovenia's economy recorded relatively stable economic growth, the forecasting errors were relatively small. Over the next few years, the forecasting performance indicators deteriorated. With a significant deterioration in the international environment, further tensions on financial markets and great uncertainty about the effectiveness of anti-crisis measures and the exit from the crisis, uncertainty increased significantly, which was reflected particularly in the forecasts for 2009 and 2011.

The errors in the forecasts for 2009 and 2011 by IMAD as well as other institutions were thus much larger and had a great impact on the calculation of mean errors in the entire time period (the forecast error in a shorter 2002-2014 period is larger than in the 1997-2014 period). Similarly, the forecasts for the year ahead in the 2013 autumn forecasts also diverged notably from data on GDP growth released at a later time, which holds true for all institutions.

All institutions significantly underestimated real GDP growth for 2014 in their forecasts for the year ahead and the current year. In 2013, the spring forecast and particularly the autumn forecast for the year ahead were prepared in circumstances of significant uncertainty regarding the results of the stress tests in the Slovenian banking system and their fiscal and economic implications, including a potential request for financial aid. Moreover, in autumn 2013, the required yields of 10-year government bonds hovered around 7%. The forecasts for 2014 were thus underestimated the most in the 2013 autumn forecasts, by 2.6 to 4.0 percentage points. With the gradual stabilisation of the situation after the beginning of the banks' balance sheet repair,

Table 8: Errors made by forecasting institutions in their forecasts of real GDP growth for 2014

Realised: 2,6 %	Spring forecast for the year ahead		Autumn forecast for the year ahead		Spring forecast for the current year		Autumn forecast for the current year	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	0.2	2.4	-0.8	3.4	0.5	2.1	2.0	0.6
BoS	0.5	2.1	-0.7	3.3	0.6	2.0	1.6	1.0
SKEP	0.1	2.5	-1.3	3.9	0.3	2.3	1.6	1.0
EC	-0.1	2.7	-1.0	3.6	0.8	1.8	2.4	0.2
IMF	1.5	1.1	-1.4	4.0	0.3	2.3	1.4	1.2
WIIW	-0.4	3.0	-1.0	3.6	-0.5	3.1	1.8	0.8
OECD	0.1	2.5	-0.9	3.5	-1.1	3.7	2.1	0.5
Consensus	0.6	2.0	0.0	2.6	-0.6	3.2	0.9	1.7

Source: Forecasts by individual institutions; calculations by IMAD.

Table 9: Errors in average annual inflation forecasts for 2014, by forecasting institution

Realised: 0,2 %	Spring forecast for the year ahead		Autumn forecast for the year ahead		Spring forecast for the current year		Autumn forecast for the current year	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	1.6	-1.4	1.9	-1.7	0.3	-0.1	0.3	-0.1
BoS	1.4	-1.2	1.7	-1.5	0.5	-0.3	0.5	-0.3
SKEP	1.9	-1.7	1.9	-1.7	1.1	-0.9	0.9	-0.7
EC	1.4	-1.2	1.9	-1.7	0.7	-0.5	0.4	-0.2
IMF	1.9	-1.7	1.8	-1.6	1.2	-1.0	0.5	-0.3
WIIW	2.0	-1.8	2.0	-1.8	1.9	-1.7	0.7	-0.5
OECD	1.2	-1.0	1.7	-1.5	1.9	-1.7	0.4	-0.2
Consensus	2.1	-1.9	2.0	-1.8	1.5	-1.3	0.7	-0.5

Source: Forecasts by individual institutions; calculations by IMAD.

Note: Negative values indicate an overestimation, while positive values indicate an underestimation.

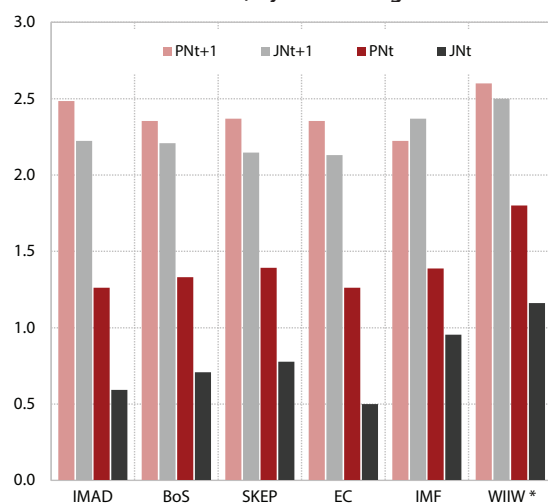
and hence improvement in the perception of Slovenia on financial markets, most institutions improved their spring forecasts for the current year in 2014, but they remained cautious. The autumn forecasts for the current year were already much more accurate, as the errors were much smaller, from 0.2 to 1.7 percentage points. The wide range mainly reflects the time when individual forecasts were made, i.e. the possibility of using new information and data. The most accurate forecasts in spring and autumn 2014 were made by the European Commission, while IMAD ranked third.

All inflation forecasts for 2014 were overestimated. All institutions projected higher inflation for the year ahead in their spring and autumn forecasts in 2013, which was related to the expectations about the movements of oil and other commodities and the general price level in the euro area. The same factors were also reflected (albeit to a lesser extent) in the spring and autumn forecasts for the current year made in 2014. Absolute errors in the spring forecast for the current year ranged between -0.1 and 1.7 percentage points; absolute errors in the autumn

forecast between -0.1 and 0.7 percentage points. The most accurate forecasts for the current year (in both the spring and autumn forecasts) were made by IMAD.

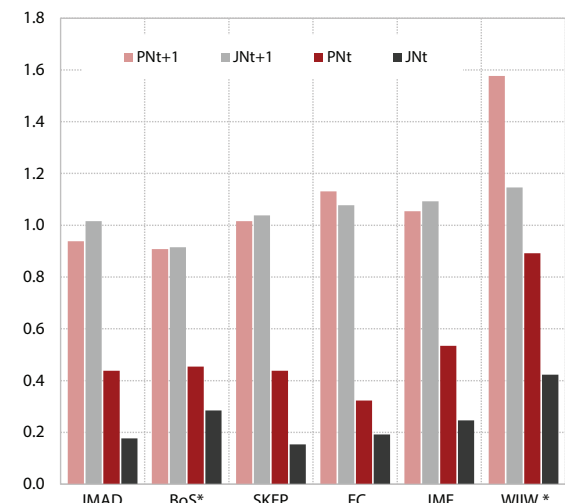
Among institutions that forecast economic growth for Slovenia, the European Commission makes the smallest forecast errors for economic growth over a longer horizon, while IMAD makes more accurate forecasts for inflation in the current year. The mean absolute errors in the forecasts for real economic growth in 2002–2014 ranged between 0.50 and 2.60 percentage points. The root mean square errors, which assign greater weight to larger errors, were much higher due to errors in 2009, 2011 and 2014 (between 0.69 and 4.02). The European Commission made the most accurate forecast in this period. In the forecasts of average inflation the mean absolute errors were smaller than in the forecasts for GDP (between 0.15 and 1.58), while the root mean square errors ranged between 0.22 and 2.52. The forecasts by IMAD were the most accurate in this period. Detailed results are shown in Table 12 in the statistical appendix.

Figure 29: Mean absolute errors in real GDP growth forecasts for 2002-2014, by forecasting institution



Source: Forecasts by individual institutions. Note: BoS and WIIW data for Pnt+1 for 2003-2014.

Figure 30: Mean absolute errors in average annual inflation forecasts for 2002-2014, by forecasting institution



Source: Forecasts by individual institutions. Note: BoS and WIIW data for Pnt+1 for 2003-2014.

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Table 1: Main macroeconomic indicators of Slovenia

Real growth rates in %, unless otherwise indicated

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
											forecast	
GROSS DOMESTIC PRODUCT	5.7	6.9	3.3	-7.8	1.2	0.6	-2.6	-1.0	2.6	2.4	2.0	2.1
GDP in EUR m (at current prices, fixed exchange rate 2007)	31,555	35,153	37,951	36,166	36,220	36,868	36,006	36,144	37,246	38,558	39,474	40,701
GDP per capita in EUR (at current prices and at current exchange rate)	15,719	17,412	18,769	17,714	17,678	17,960	17,506	17,550	18,065	18,635	19,032	19,583
GDP per capita in USD (at current prices and at current exchange rate)	19,715	23,863	27,606	24,708	23,436	25,000	22,492	23,308	24,000	21,227	21,635	22,261
GDP per capita (PPS) ¹	21,000	22,500	23,100	20,700	21,000	21,500	21,600	21,800				
GDP per capita (PPS EU28=100) ¹	86	87	89	85	83	83	82	82				
EMPLOYMENT AND PRODUCTIVITY												
Employment according to National Accounts	1.6	3.4	2.6	-1.8	-2.2	-1.6	-0.8	-1.5	0.7	0.8	0.6	0.7
Registered unemployed (annual average in thousand)	85.8	71.3	63.2	86.4	100.5	110.7	110.2	119.8	120.1	114.3	110.4	102.7
Rate of registered unemployment in %	9.4	7.7	6.7	9.1	10.7	11.8	12.0	13.1	13.1	12.5	12.0	11.2
Rate of unemployment by ILO in %	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.1	9.7	9.2	8.6	7.9
LABOUR PRODUCTIVITY												
Labour productivity (GDP per employee)	4.1	3.4	0.7	-6.1	3.4	2.3	-1.8	0.5	2.0	1.5	1.5	1.4
WAGES												
Gross wage per employee - nominal growth in %	4.8	5.9	8.3	3.4	3.9	2.0	0.1	-0.2	1.1	0.9	1.8	2.3
- Private sector activities	5.8	6.0	7.8	1.6	5.6	2.6	0.5	0.6	1.4	1.3	1.8	2.6
- Public service activities	4.1	6.9	9.7	5.3	0.8	1.0	-0.9	-1.3	0.9	0.6	1.8	1.9
Gross wage per employee - real growth in %	2.2	2.2	2.5	2.5	2.1	0.2	-2.4	-2.0	0.9	1.1	0.8	0.9
- Private sector activities	3.2	2.3	2.0	0.7	3.7	0.8	-2.0	-1.2	1.2	1.5	0.8	1.2
- Public service activities	1.6	3.2	3.8	4.4	-1.0	-0.8	-3.4	-3.0	0.7	0.8	0.8	0.5
INTERNATIONAL TRADE												
Exports of goods and services	14.1	13.6	4.2	-16.6	10.1	7.0	0.3	2.6	6.3	5.6	6.2	5.0
Exports of goods	15.7	14.0	1.9	-17.0	11.9	8.2	0.0	2.8	7.2	6.3	6.7	5.2
Exports of services	7.4	12.0	14.7	-14.8	3.4	2.5	1.5	1.8	2.5	2.6	4.2	4.2
Imports of goods and services	12.4	16.8	3.8	-18.8	6.6	5.0	-3.9	1.4	4.1	5.2	4.7	5.2
Imports of goods	12.9	16.5	3.2	-19.8	7.4	6.0	-4.6	2.2	3.8	5.4	4.8	5.3
Imports of services	9.1	18.5	8.1	-12.8	2.5	-0.4	0.2	-3.1	5.6	4.1	4.3	4.4

Table 1: Main macroeconomic indicators of Slovenia

Real growth rates in %, unless otherwise indicated

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											forecast		
BALANCE OF PAYMENTS STATISTICS													
Current account balance in EUR m	-578	-1,477	-2,059	-220	-29	83	954	2,027	2,187	2,266	2,366	2,549	
As a per cent share relative to GDP	-1.8	-4.2	-5.4	-0.6	-0.1	0.2	2.7	5.6	5.9	5.9	6.0	6.3	
External balance of goods and services in EUR m	16	-428	-704	686	493	470	1,473	2,518	3,038	3,687	4,015	4,055	
As a per cent share relative to GDP	0.0	-1.2	-1.9	1.9	1.4	1.3	4.1	7.0	8.2	9.6	10.2	10.0	
FINAL DOMESTIC DEMAND - NATIONAL ACCOUNTS STATISTICS													
Final consumption	1.7	5.2	3.0	1.3	0.7	-0.5	-2.6	-3.1	0.1	0.7	1.1	1.3	
As a % of GDP *	69.9	68.4	69.2	74.7	76.3	76.3	76.6	74.5	72.1	70.1	69.9	69.5	
in which:													
Private consumption	1.2	6.4	2.4	0.9	1.0	-0.1	-3.0	-3.9	0.3	1.1	1.6	1.8	
As a % of GDP *	51.4	51.1	51.2	54.7	55.9	55.8	56.2	54.1	52.8	51.6	51.7	51.6	
Government consumption	3.1	1.9	4.9	2.4	0.1	-1.3	-1.5	-1.1	-0.5	-0.4	-0.4	-0.2	
As a % of GDP *	18.4	17.3	18.0	20.1	20.4	20.5	20.5	20.4	19.3	18.5	18.3	18.0	
Gross fixed capital formation	10.2	12.0	7.0	-22.0	-13.7	-4.6	-8.9	1.9	4.8	4.8	-2.0	4.0	
As a % of GDP *	27.8	28.8	29.6	24.3	21.2	20.2	19.2	19.7	20.1	20.6	20.1	20.6	
EXCHANGE RATE AND PRICES													
Average exchange rate SIT/USD, BS	191.0	174.8											
Average exchange rate SIT/EUR, BS	239.6	239.6											
Ratio of USD to EUR	1.256	1.371	1.471	1.393	1.327	1.392	1.286	1.328	1.329	1.137	1.135	1.135	
Real effective exchange rate - deflated by CPI ²	0.3	1.7	2.5	1.3	-1.8	-1.1	-1.0	1.3	-0.3	-3.0	-0.5	0.0	
Inflation (end of the year) ³	2.8	5.6	2.1	1.8	1.9	2.0	2.7	0.7	0.2	0.4	1.4	1.3	
Inflation (year average) ³	2.5	3.6	5.7	0.9	1.8	1.8	2.6	1.8	0.2	-0.2	1.0	1.4	
Brent Crude Oil Price USD / barrel	65.2	72.4	96.9	61.7	79.6	111.3	111.7	108.6	98.9	60.0	69.0	73.0	

Source: SURS, BoS, Eurostat, ECB, Ministry of Finance, calculations and forecasts by IMAD.

Notes: ¹ Measured in purchasing power standard. ² Growth in value denotes real appreciation of national currency and vice versa. ³ Consumer price index. * Shares in GDP are calculated for GDP in current prices and at fixed exchange rate 2007 (EUR=239,64).

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

EUR million, current prices (fixed 2007 exchange rate)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
											forecast	
A Agriculture, forestry and fishing	628.5	659.2	628.0	598.6	624.8	734.8	686.5	667.4	692.1	752.3	809.2	839.8
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	7,612.5	8,375.8	8,582.3	7,466.6	7,649.1	8,039.8	8,087.8	8,351.7	8,710.6	9,003.6	9,315.9	9,560.2
of which: C Manufacturing	6,498.5	7,182.5	7,292.4	6,188.4	6,366.6	6,728.7	6,757.9	6,968.4	7,335.5	7,634.5	7,855.3	8,112.6
F Construction	1,955.4	2,454.1	2,764.2	2,464.3	2,014.7	1,883.5	1,818.6	1,645.9	1,842.6	1,966.4	1,934.2	2,038.3
GHI Trade, transportation and storage, accommodation and food service activities	5,436.6	6,240.7	6,841.6	6,343.0	6,302.0	6,471.1	6,254.2	6,317.8	6,561.1	6,824.7	6,967.6	7,195.7
J Information and communication	1,111.2	1,233.9	1,333.4	1,235.6	1,285.5	1,313.0	1,334.2	1,316.2	1,333.4	1,349.5	1,381.6	1,488.4
K Financial and insurance activities	1,344.9	1,427.9	1,602.5	1,673.1	1,709.6	1,661.4	1,355.9	1,241.3	1,399.8	1,465.2	1,480.7	1,488.4
L Real estate activities	2,027.1	2,171.4	2,408.3	2,636.1	2,536.7	2,468.4	2,333.3	2,239.1	2,229.7	2,313.5	2,349.1	2,466.8
MN Professional, scientific, technical, administrative and support services	2,348.3	2,705.3	3,016.0	2,870.7	2,965.4	2,996.1	2,944.2	2,963.3	3,064.3	3,200.3	3,276.3	3,322.9
OPQ Public administration, education, human health and social work	4,490.6	4,723.5	5,184.8	5,478.1	5,618.6	5,673.1	5,603.2	5,622.7	5,481.9	5,597.5	5,719.3	5,846.3
RST Other service activities	779.5	817.0	868.6	872.2	865.0	866.6	840.6	861.2	856.8	886.8	888.6	917.7
1. TOTAL VALUE ADDED, basic prices	27,734.7	30,808.7	33,229.8	31,638.3	31,571.2	32,107.8	31,258.5	31,226.6	32,172.3	33,359.9	34,122.5	35,164.5
2. CORRECTIONS (a-b)	3,820.7	4,343.9	4,721.4	4,527.9	4,648.4	4,760.6	4,747.4	4,917.4	5,074.1	5,197.9	5,351.6	5,536.4
a) Taxes on products and services	3,954.2	4,420.8	4,772.0	4,599.3	4,728.3	4,789.0	4,782.5	4,950.9	5,106.5	5,231.7	5,386.9	5,573.1
b) Subsidies on products and services	133.5	76.9	50.6	71.4	80.0	28.3	35.1	33.5	32.3	33.8	35.3	36.7
3. GROSS DOMESTIC PRODUCT (3=1+2)	31,555.4	35,152.6	37,951.2	36,166.2	36,219.6	36,868.4	36,006.0	36,144.0	37,246.4	38,557.8	39,474.1	40,700.9

Source: SURS, forecasts by IMAD.

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

	Structure in %, current prices												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											forecast		
A Agriculture, forestry and fishing	2.0	1.9	1.7	1.7	1.7	2.0	1.9	1.8	1.9	2.0	2.1	2.1	
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	24.1	23.8	22.6	20.6	21.1	21.8	22.5	23.1	23.4	23.4	23.6	23.5	
of which: C Manufacturing	20.6	20.4	19.2	17.1	17.6	18.3	18.8	19.3	19.7	19.8	19.9	19.9	
F Construction	6.2	7.0	7.3	6.8	5.6	5.1	5.1	4.6	4.9	5.1	4.9	5.0	
GHI Trade, transportation and storage, accommodation and food service activities	17.2	17.8	18.0	17.5	17.4	17.6	17.4	17.5	17.6	17.7	17.7	17.7	
J Information and communication	3.5	3.5	3.5	3.4	3.5	3.6	3.7	3.6	3.6	3.5	3.5	3.7	
K Financial and insurance activities	4.3	4.1	4.2	4.6	4.7	4.5	3.8	3.4	3.8	3.8	3.8	3.7	
L Real estate activities	6.4	6.2	6.3	7.3	7.0	6.7	6.5	6.2	6.0	6.0	6.0	6.1	
MN Professional, scientific, technical, administrative and support services	7.4	7.7	7.9	7.9	8.2	8.1	8.2	8.2	8.2	8.3	8.3	8.2	
OPQ Public administration, education, human health and social work	14.2	13.4	13.7	15.1	15.5	15.4	15.6	15.6	14.7	14.5	14.5	14.4	
RST Other service activities	2.5	2.3	2.3	2.4	2.4	2.4	2.3	2.4	2.3	2.3	2.3	2.3	
1. TOTAL VALUE ADDED	87.9	87.6	87.6	87.5	87.2	87.1	86.8	86.4	86.4	86.5	86.4	86.4	
2. CORRECTIONS (a-b)	12.1	12.4	12.4	12.5	12.8	12.9	13.2	13.6	13.6	13.5	13.6	13.6	
a) Taxes on products and services	12.5	12.6	12.6	12.7	13.1	13.0	13.3	13.7	13.7	13.6	13.6	13.7	
b) Subsidies on products and services	0.4	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
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	100.0	
GROSS DOMESTIC PRODUCT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
in which:													
1. Agriculture, forestry, fishing (A)	2.0	1.9	1.7	1.7	1.7	2.0	1.9	1.8	1.9	2.0	2.1	2.1	
2. Industry and construction (B+C+D+E+F)	30.3	30.8	29.9	27.5	26.7	26.9	27.5	27.7	28.3	28.5	28.5	28.5	
3. Services (G...T)	55.6	55.0	56.0	58.4	58.8	58.2	57.4	56.9	56.2	56.1	55.9	55.8	
4. Corrections	12.1	12.4	12.4	12.5	12.8	12.9	13.2	13.6	13.6	13.5	13.6	13.6	
As a share in total value added in %													
TOTAL VALUE ADDED, basic prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
in which:													
1. Agriculture, forestry, fishing (A)	2.3	2.1	1.9	1.9	2.0	2.3	2.2	2.1	2.2	2.3	2.4	2.4	
2. Industry and construction (B+C+D+E+F)	34.5	35.2	34.1	31.4	30.6	30.9	31.7	32.0	32.8	32.9	33.0	33.0	
Industry (B+C+D+E)	27.4	27.2	25.8	23.6	24.2	25.0	25.9	26.7	27.1	27.0	27.3	27.2	
Construction F	7.1	8.0	8.3	7.8	6.4	5.9	5.8	5.3	5.7	5.9	5.7	5.8	
3. Services (G...T)	63.2	62.7	64.0	66.7	67.4	66.8	66.1	65.8	65.0	64.9	64.7	64.6	

Source: SURS, calculations and forecasts by IMAD.

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

EUR million (fixed 2007 exchange rate)

	constant previous year prices									constant 2014 prices		
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
A Agriculture, forestry and fishing	662.5	662.4	662.5	569.1	612.3	672.9	676.4	656.2	711.4	695.6	698.7	702.2
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	7,576.6	8,182.7	8,460.4	7,354.9	7,950.7	7,830.5	7,852.5	8,078.6	8,708.2	9,019.8	9,384.2	9,637.6
of which: C Manufacturing	6,473.0	7,041.8	7,193.6	6,127.9	6,639.4	6,543.8	6,530.5	6,724.0	7,312.9	7,628.9	7,972.2	8,211.4
F Construction	1,910.7	2,305.7	2,570.6	2,393.1	2,014.7	1,810.6	1,742.0	1,658.0	1,824.5	1,935.6	1,876.6	1,932.9
GHI Trade, transportation and storage, accommodation and food service activities	5,320.6	5,820.0	6,458.1	6,236.0	6,424.5	6,435.3	6,205.1	6,265.8	6,522.5	6,780.6	6,997.6	7,172.5
J Information and communication	1,113.6	1,216.6	1,371.0	1,274.8	1,276.6	1,286.6	1,307.7	1,349.2	1,331.9	1,353.4	1,379.8	1,414.3
K Financial and insurance activities	1,230.3	1,556.4	1,480.1	1,617.7	1,676.2	1,643.8	1,580.5	1,351.3	1,267.0	1,442.5	1,485.8	1,522.9
L Real estate activities	1,990.5	2,113.3	2,304.6	2,403.5	2,678.9	2,526.9	2,477.2	2,334.5	2,246.5	2,253.1	2,285.8	2,320.0
MN Professional, scientific, technical, administrative and support services	2,302.4	2,520.3	2,845.9	2,838.2	3,009.4	2,986.8	2,943.8	2,950.9	3,084.6	3,173.1	3,204.8	3,268.9
OPQ Public administration, education, human health and social work	4,323.3	4,556.4	4,735.0	5,261.0	5,570.2	5,616.1	5,744.6	5,577.3	5,666.5	5,503.9	5,545.1	5,595.0
RST Other service activities	756.9	774.8	819.5	839.9	857.1	865.7	843.5	861.9	858.5	861.4	869.6	878.3
1. TOTAL VALUE ADDED, basic prices	27,187.5	29,708.6	31,707.8	30,788.2	32,070.6	31,675.1	31,373.3	31,083.6	32,221.7	33,018.9	33,727.9	34,444.7
2. CORRECTIONS (a-b)	3,692.2	4,037.2	4,604.9	4,203.8	4,537.5	4,766.4	4,522.0	4,563.0	4,875.2	5,108.6	5,179.5	5,288.2
a) Taxes on products and services	3,844.6	4,173.2	4,682.7	4,245.4	4,619.0	4,849.6	4,550.8	4,598.7	4,909.8	5,142.2	5,214.2	5,323.7
b) Subsidies on products and services	152.4	136.0	77.8	41.6	81.5	83.1	28.8	35.8	34.5	33.6	34.7	35.5
3. GROSS DOMESTIC PRODUCT (3=1+2)	30,879.7	33,745.8	36,312.7	34,992.0	36,608.0	36,441.5	35,895.3	35,646.5	37,096.9	38,127.4	38,907.5	39,732.8

Source: SURS, forecasts by IMAD.

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

	Real growth rates in %											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
				forecast								
A Agriculture, forestry and fishing	-0.8	5.4	0.5	-9.4	2.3	7.7	-7.9	-4.4	6.6	0.5	0.5	0.5
BCDE Mining and quarrying, manufacturing, electricity and water supply, waste management	7.0	7.5	1.0	-14.3	6.5	2.4	-2.3	-0.1	4.3	3.5	4.0	2.7
of which: C Manufacturing	7.0	8.4	0.2	-16.0	7.3	2.8	-2.9	-0.5	4.9	4.0	4.5	3.0
F Construction	14.5	17.9	4.7	-13.4	-18.2	-10.1	-7.5	-8.8	10.9	5.0	-3.0	3.0
GHI Trade, transportation and storage, accommodation and food service activities	7.1	7.1	3.5	-8.9	1.3	2.1	-4.1	0.2	3.2	3.3	3.2	2.5
J Information and communication	9.4	9.5	11.1	-4.4	3.3	0.1	-0.4	1.1	1.2	1.5	2.0	2.5
K Financial and insurance activities	5.7	15.7	3.7	0.9	0.2	-3.8	-4.9	-0.3	2.1	3.0	3.0	2.5
L Real estate activities	2.7	4.3	6.1	-0.2	1.6	-0.4	0.4	0.1	0.3	1.0	1.5	1.5
MN Professional, scientific, technical, administrative and support services	8.2	7.3	5.2	-5.9	4.8	0.7	-1.7	0.2	4.1	3.5	1.0	2.0
OPQ Public administration, education, human health and social work	0.9	1.5	0.2	1.5	1.7	0.0	1.3	-0.5	0.8	0.4	0.7	0.9
RST Other service activities	-0.2	-0.6	0.3	-3.3	-1.7	0.1	-2.7	2.5	-0.3	0.5	1.0	1.0
1. TOTAL VALUE ADDED, basic prices	5.9	7.1	2.9	-7.3	1.4	0.3	-2.3	-0.6	3.2	2.6	2.1	2.1
2. CORRECTIONS (a-b)	4.2	5.7	6.0	-11.0	0.2	2.5	-5.0	-3.9	-0.9	0.7	1.4	2.1
a) Taxes on products and services	4.0	5.5	5.9	-11.0	0.4	2.6	-5.0	-3.8	-0.8	0.7	1.4	2.1
b) Subsidies on products and services	0.0	1.9	1.2	-17.8	14.1	3.9	1.8	2.0	3.2	4.0	3.0	2.5
3. GROSS DOMESTIC PRODUCT (3=1+2)	5.7	6.9	3.3	-7.8	1.2	0.6	-2.6	-1.0	2.6	2.4	2.0	2.1

Source: SURS, forecasts by IMAD.

Table 4a: Gross domestic product and primary incomes

EUR million, current prices (fixed 2007 exchange rate)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
1. Compensation of employees	15,649.7	17,211.6	18,955.9	18,789.7	19,019.5	18,913.1	18,475.4	18,258.6	18,292.9	18,607.0	19,088.8	19,699.6
Wages and salaries	13,420.4	14,781.9	16,302.7	16,127.8	16,336.0	16,234.8	15,847.8	15,676.0	15,711.8	15,991.7	16,407.7	16,934.5
Employers' social contributions	2,229.3	2,429.8	2,653.2	2,661.8	2,683.5	2,678.4	2,627.6	2,582.6	2,581.1	2,615.3	2,681.2	2,765.1
2. Taxes on production and imports	4,725.9	5,154.7	5,363.8	4,965.2	5,089.6	5,157.0	5,171.8	5,417.9	5,560.1	5,682.3	5,833.0	6,032.0
Taxes on products and services	3,954.2	4,420.8	4,772.0	4,599.3	4,728.3	4,789.0	4,782.5	4,950.9	5,106.5	5,231.7	5,386.9	5,573.1
Other taxes on production	771.7	733.9	591.9	366.0	361.3	368.0	389.3	467.0	453.7	450.5	446.1	458.9
3. Subsidies	669.5	761.6	790.2	912.2	936.5	614.2	611.9	679.6	569.9	489.4	464.0	444.0
Subsidies on products and services	133.5	76.9	50.6	71.4	80.0	28.3	35.1	33.5	32.3	33.8	35.3	36.7
Other subsidies on production	536.0	684.7	739.6	840.8	856.6	585.8	576.8	646.1	537.5	455.6	428.7	407.3
4. Gross operating surplus / mixed income	11,849.3	13,547.9	14,421.7	13,323.5	13,047.1	13,412.5	12,970.7	13,147.1	13,963.2	14,758.0	15,016.2	15,413.3
Consumption of fixed capital	5,747.8	6,171.8	6,667.2	7,063.7	7,262.6	7,442.6	7,487.2	7,441.0	7,493.0	7,545.5	7,519.8	7,594.7
Net operating surplus	6,101.5	7,376.1	7,754.5	6,259.8	5,784.4	5,969.9	5,483.5	5,706.1	6,470.2	7,212.5	7,496.4	7,818.6
5. GDP (5=1+2-3+4)	31,555.4	35,152.6	37,951.2	36,166.2	36,219.6	36,868.4	36,006.0	36,144.0	37,246.4	38,557.8	39,474.1	40,700.9

Source: SURS, forecasts by IMAD.

Table 4b: Gross domestic product and primary incomes

Structure in %, current prices

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
1. Compensation of employees	49.6	49.0	49.9	52.0	52.5	51.3	51.3	50.5	49.1	48.3	48.4	48.4
Wages and salaries	42.5	42.1	43.0	44.6	45.1	44.0	44.0	43.4	42.2	41.5	41.6	41.6
Employers' social contributions	7.1	6.9	7.0	7.4	7.4	7.3	7.3	7.1	6.9	6.8	6.8	6.8
2. Taxes on production and imports	15.0	14.7	14.1	13.7	14.1	14.0	14.4	15.0	14.9	14.7	14.8	14.8
Taxes on products and services	12.5	12.6	12.6	12.7	13.1	13.0	13.3	13.7	13.7	13.6	13.6	13.7
Other taxes on production	2.4	2.1	1.6	1.0	1.0	1.0	1.1	1.3	1.2	1.2	1.1	1.1
3. Subsidies	2.1	2.2	2.1	2.5	2.6	1.7	1.7	1.9	1.5	1.3	1.2	1.1
Subsidies on products and services	0.4	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other subsidies on production	1.7	1.9	1.9	2.3	2.4	1.6	1.6	1.8	1.4	1.2	1.1	1.0
4. Gross operating surplus / mixed income	37.6	38.5	38.0	36.8	36.0	36.4	36.0	36.4	37.5	38.3	38.0	37.9
Consumption of fixed capital	18.2	17.6	17.6	19.5	20.1	20.2	20.8	20.6	20.1	19.6	19.0	18.7
Net operating surplus	19.3	21.0	20.4	17.3	16.0	16.2	15.2	15.8	17.4	18.7	19.0	19.2
5. GDP (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	100.0

Source: SURS, forecasts by IMAD.

Table 5a: Gross domestic product by expenditures

EUR million, current prices (fixed 2007 exchange rate)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
1 GROSS DOMESTIC PRODUCT (1=4+5)	31,555.4	35,152.6	37,951.2	36,166.2	36,219.6	36,868.4	36,006.0	36,144.0	37,246.4	38,557.8	39,474.1	40,700.9
2 EXPORTS OF GOODS AND SERVICES	20,414.9	23,762.1	25,089.1	20,702.5	23,297.8	25,962.1	26,373.4	26,996.3	28,607.3	30,333.7	32,466.3	34,273.7
3 IMPORTS OF GOODS AND SERVICES	20,430.0	24,218.3	25,820.3	20,026.6	22,734.8	25,225.6	24,793.8	24,824.0	25,573.8	26,651.5	28,456.3	30,224.3
4 EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	-15.1	-456.2	-731.2	675.9	562.9	736.5	1,579.7	2,172.3	3,033.5	3,682.3	4,010.0	4,049.4
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	31,570.5	35,608.8	38,682.4	35,490.3	35,656.7	36,131.9	34,426.3	33,971.8	34,212.9	34,875.6	35,464.1	36,651.4
6 FINAL CONSUMPTION (6=7+8)	22,047.8	24,052.0	26,274.3	27,033.9	27,631.1	28,125.1	27,598.3	26,920.0	26,871.0	27,026.0	27,604.1	28,296.0
7 PRIVATE CONSUMPTION	16,229.0	17,973.2	19,433.4	19,779.4	20,250.4	20,566.0	20,234.9	19,564.6	19,682.7	19,879.0	20,388.9	20,984.7
Households	15,972.9	17,674.0	19,141.7	19,481.7	19,959.7	20,299.3	19,981.2	19,300.5	19,417.3	19,611.2	20,113.2	20,700.5
NPISH's	256.1	299.2	291.7	297.7	290.7	266.7	253.7	264.1	265.4	267.8	275.6	284.2
8 GOVERNMENT CONSUMPTION (individual and collective)	5,818.8	6,078.9	6,841.0	7,254.5	7,380.6	7,559.1	7,363.5	7,355.4	7,188.3	7,146.9	7,215.2	7,311.2
9 GROSS CAPITAL FORMATION (9=10+11)	9,522.7	11,556.8	12,408.1	8,456.4	8,025.6	8,006.8	6,827.9	7,051.8	7,342.0	7,849.6	7,860.0	8,355.5
10 GROSS FIXED CAPITAL FORMATION	8,780.0	10,107.9	11,230.0	8,806.1	7,694.0	7,444.8	6,926.7	7,126.7	7,503.0	7,941.8	7,918.1	8,399.5
11 CHANGES IN INVENTORIES AND VALUABLES	742.6	1,448.9	1,178.1	-349.6	331.6	562.0	-98.8	-74.8	-161.0	-92.2	-58.1	-44.0

Source: SURS, forecasts by IMAD.

Table 5b: Gross domestic product by expenditures

Structure in %, current prices

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										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	100.0
2 EXPORTS OF GOODS AND SERVICES	64.7	67.6	66.1	57.2	64.3	70.4	73.2	74.7	76.8	78.7	82.2	84.2
3 IMPORTS OF GOODS AND SERVICES	64.7	68.9	68.0	55.4	62.8	68.4	68.9	68.7	68.7	69.1	72.1	74.3
4 EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	0.0	-1.3	-1.9	1.9	1.6	2.0	4.4	6.0	8.1	9.6	10.2	9.9
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	100.0	101.3	101.9	98.1	98.4	98.0	95.6	94.0	91.9	90.4	89.8	90.1
6 FINAL CONSUMPTION (6=7+8)	69.9	68.4	69.2	74.7	76.3	76.3	76.6	74.5	72.1	70.1	69.9	69.5
7 PRIVATE CONSUMPTION	51.4	51.1	51.2	54.7	55.9	55.8	56.2	54.1	52.8	51.6	51.7	51.6
Households	50.6	50.3	50.4	53.9	55.1	55.1	55.5	53.4	52.1	50.9	51.0	50.9
NPISH's	0.8	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
8 GOVERNMENT CONSUMPTION (individual and collective)	18.4	17.3	18.0	20.1	20.4	20.5	20.5	20.4	19.3	18.5	18.3	18.0
9 GROSS CAPITAL FORMATION (9=10+11)	30.2	32.9	32.7	23.4	22.2	21.7	19.0	19.5	19.7	20.4	19.9	20.5
10 GROSS FIXED CAPITAL FORMATION	27.8	28.8	29.6	24.3	21.2	20.2	19.2	19.7	20.1	20.6	20.1	20.6
11 CHANGES IN INVENTORIES AND VALUABLES	2.4	4.1	3.1	-1.0	0.9	1.5	-0.3	-0.2	-0.4	-0.2	-0.1	-0.1

Source: SURS, forecasts by IMAD.

Table 6a: Gross domestic product by expenditures

EUR million (fixed 2007 exchange rate)

	constant previous year prices									constant 2014 prices		
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
1 GROSS DOMESTIC PRODUCT (1=4+5)	30,879.7	33,745.8	36,312.7	34,992.0	36,608.0	36,441.5	35,895.3	35,646.5	37,096.9	38,127.4	38,907.5	39,732.8
2 EXPORTS OF GOODS AND SERVICES	19,872.4	23,193.2	24,752.3	20,927.4	22,796.8	24,933.4	26,041.0	27,069.3	28,686.0	30,203.6	32,075.3	33,685.2
3 IMPORTS OF GOODS AND SERVICES	19,779.9	23,854.0	25,150.4	20,955.4	21,347.0	23,879.8	24,236.3	25,137.3	25,838.4	26,905.6	28,176.8	29,634.2
4 EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	92.5	-660.8	-398.1	-27.9	1,449.8	1,053.6	1,804.7	1,932.0	2,847.7	3,298.0	3,898.5	4,051.0
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	30,787.2	34,406.6	36,710.7	35,019.9	35,158.3	35,387.9	34,090.6	33,714.6	34,249.3	34,829.4	35,009.0	35,681.8
6 FINAL CONSUMPTION (6=7+8)	21,483.7	23,194.6	24,780.8	26,613.3	27,231.9	27,504.7	27,402.8	26,733.4	26,943.7	27,058.5	27,358.5	27,708.8
7 PRIVATE CONSUMPTION	15,853.4	17,263.1	18,402.3	19,607.5	19,967.4	20,222.5	19,955.2	19,452.7	19,623.8	19,898.9	20,227.2	20,591.9
- Households	15,604.7	16,979.8	18,125.8	19,318.6	19,680.6	19,953.4	19,700.8	19,187.6	19,359.4	19,630.9	19,953.8	20,313.0
- NPISH's	248.7	283.3	276.5	288.9	286.8	269.1	254.4	265.1	264.5	268.1	273.5	278.9
8 GOVERNMENT CONSUMPTION (individual and collective)	5,630.3	5,931.5	6,378.4	7,005.7	7,264.6	7,282.2	7,447.5	7,280.7	7,319.9	7,159.5	7,131.2	7,117.0
9 GROSS CAPITAL FORMATION (9=10+11)	9,303.4	11,212.0	11,929.9	8,406.7	7,926.4	7,883.2	6,687.8	6,981.2	7,305.6	7,771.0	7,650.5	7,973.0
10 GROSS FIXED CAPITAL FORMATION	8,582.4	9,829.8	10,817.8	8,758.6	7,602.6	7,339.4	6,784.8	7,055.5	7,467.9	7,863.2	7,708.7	8,017.0
11 CHANGES IN INVENTORIES AND VALUABLES	721.0	1,382.1	1,112.1	-351.9	323.8	543.9	-97.0	-74.4	-162.4	-92.2	-58.1	-44.0

Source: SURS, forecasts by IMAD.

Table 6b: Gross domestic product by expenditures

Real growth rates in %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
1 GROSS DOMESTIC PRODUCT (1=4+5)	5.7	6.9	3.3	-7.8	1.2	0.6	-2.6	-1.0	2.6	2.4	2.0	2.1
2 EXPORTS OF GOODS AND SERVICES	14.1	13.6	4.2	-16.6	10.1	7.0	0.3	2.6	6.3	5.6	6.2	5.0
3 IMPORTS OF GOODS AND SERVICES	12.4	16.8	3.8	-18.8	6.6	5.0	-3.9	1.4	4.1	5.2	4.7	5.2
4 EXTERNAL BALANCE OF GOODS AND SERVICES ¹	1.0	-2.0	0.2	1.9	2.1	1.4	2.9	1.0	1.9	0.7	1.6	0.4
5 TOTAL DOMESTIC CONSUMPTION (5=6+9)	4.7	9.0	3.1	-9.5	-0.9	-0.8	-5.6	-2.1	0.8	1.8	0.5	1.9
6 FINAL CONSUMPTION (6=7+8)	1.7	5.2	3.0	1.3	0.7	-0.5	-2.6	-3.1	0.1	0.7	1.1	1.3
7 PRIVATE CONSUMPTION	1.2	6.4	2.4	0.9	1.0	-0.1	-3.0	-3.9	0.3	1.1	1.6	1.8
- Households	1.2	6.3	2.6	0.9	1.0	0.0	-2.9	-4.0	0.3	1.1	1.6	1.8
- NPISH's	4.4	10.6	-7.6	-1.0	-3.7	-7.4	-4.6	4.5	0.1	1.0	2.0	2.0
8 GOVERNMENT CONSUMPTION (individual and collective)	3.1	1.9	4.9	2.4	0.1	-1.3	-1.5	-1.1	-0.5	-0.4	-0.4	-0.2
9 GROSS CAPITAL FORMATION	12.2	17.7	3.2	-32.2	-6.3	-1.8	-16.5	2.2	3.6	5.8	-1.5	4.2
10 GROSS FIXED CAPITAL FORMATION	10.2	12.0	7.0	-22.0	-13.7	-4.6	-8.9	1.9	4.8	4.8	-2.0	4.0
11 CHANGES IN INVENTORIES AND VALUABLES ¹	0.7	2.0	-1.0	-4.0	1.9	0.6	-1.8	0.1	-0.2	0.2	0.1	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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
										forecast		
I. CURRENT ACCOUNT	-578	-1.477	-2.059	-220	-29	83	954	2.027	2.187	2.266	2.366	2.549
1. GOODS	-922	-1.412	-2.114	-425	-717	-936	-36	763	1.330	1.982	2.218	2.163
1.1. Exports of goods	16.769	19.517	20.030	16.283	18.631	21.042	21.256	21.692	23.100	24.629	26.427	27.885
1.2. Imports of goods	17.691	20.929	22.144	16.708	19.348	21.978	21.292	20.929	21.770	22.647	24.209	25.721
2. SERVICES	937	984	1.409	1.111	1.210	1.406	1.509	1.755	1.708	1.705	1.797	1.891
2.1. Exports	3.618	4.195	5.060	4.403	4.655	4.906	5.106	5.308	5.517	5.714	6.050	6.400
Transport	1.060	1.260	1.436	1.090	1.210	1.309	1.346	1.392	1.520	1.603	1.684	1.779
Travel	1.555	1.665	1.827	1.804	1.925	1.975	2.008	2.039	2.046	2.127	2.223	2.338
Other	1.002	1.269	1.797	1.508	1.520	1.622	1.752	1.877	1.951	1.984	2.143	2.283
2.2. Imports	2.680	3.211	3.650	3.291	3.444	3.500	3.597	3.553	3.809	4.010	4.253	4.509
Transport	603	735	875	654	716	725	713	738	804	846	885	932
Travel	772	831	922	913	923	817	730	695	724	762	793	831
Other	1.305	1.644	1.853	1.725	1.805	1.958	2.153	2.120	2.280	2.402	2.575	2.746
1., 2. EXTERNAL BALANCE OF GOODS AND SERVICES	16	-428	-704	686	493	470	1.473	2.518	3.038	3.687	4.015	4.055
Exports of goods and services	20.386	23.712	25.090	20.686	23.285	25.948	26.362	27.000	28.617	30.344	32.477	34.285
Imports of goods and services	20.371	24.140	25.794	19.999	22.792	25.478	24.889	24.482	25.579	26.657	28.462	30.231
3. PRIMARY INCOME	-362	-792	-1.070	-553	-389	-302	-292	-243	-599	-1.070	-1.147	-1.103
3.1. Receipts	1.006	1.292	1.511	918	879	1.295	1.138	1.015	1.227	1.388	1.485	1.517
Compensation of employees	218	229	238	212	240	327	474	446	538	535	530	525
Investment	653	912	979	399	271	557	186	30	193	408	505	532
Other primary income	136	151	294	306	367	411	478	539	495	445	450	460
3.2. Expenditure	1.368	2.084	2.580	1.471	1.268	1.598	1.430	1.258	1.826	2.458	2.632	2.620
Compensation of employees	110	179	230	116	89	93	98	99	122	135	140	150
Investment	1.175	1.768	2.059	1.228	1.031	1.328	1.097	929	1.418	2.023	2.185	2.155
Other primary income	83	136	291	127	147	176	235	230	286	300	307	315
4. SECONDARY INCOME	-231	-258	-285	-353	-132	-84	-227	-249	-252	-351	-502	-403
4.1. Receipts	649	790	600	675	864	993	931	923	933	879	751	863
4.2. Expenditure	880	1.048	885	1.029	996	1.077	1.157	1.172	1.185	1.230	1.253	1.265
II. CAPITAL ACCOUNT	-131	-52	-30	9	54	-85	41	109	79			
1. Non-produced non-financial assets	-5	-1	-3	-6	-3	-12	-4	-10	-24			
2. Capital transfers	-126	-51	-26	16	57	-73	45	120	103			
III. FINANCIAL ACCOUNT	-1.205	-1.971	-2.619	-208	-505	360	1.028	2.887	3.440			
1. Direct investment	106	600	130	497	-93	-640	-466	-60	-1.118			
Assets	710	1.417	884	244	138	-3	-439	5	-2			
Liabilities	605	817	754	-253	231	636	27	64	1.117			
2. Portfolio investment	1.442	2.255	-592	-4.628	-1.961	-1.844	220	-3.976	-3.969			
3. Financial derivatives	13	15	-46	-15	117	155	89	32	1			
4. Other investment	-1.485	-4.702	-2.090	3.896	1.452	2.761	1.215	6.886	8.438			
4.1. Assets	1.987	4.906	383	424	-885	1.448	1.634	2.241	5.765			
4.2. Liabilities	3.471	9.608	2.472	-3.472	-2.336	-1.313	418	-4.645	-2.673			
5. Reserve assets	-1.281	-140	-21	42	-19	-72	-31	5	89			
IV. NET ERRORS AND OMISSIONS	-496	-442	-531	3	-530	362	33	752	1.174			

Source: BoS, forecasts by IMAD.

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

Table 8: Labour market

Numbers in thousands, indicators in %

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	napoved											
LABOUR SUPPLY												
Activity rate (15-64 years, in %)	70.9	71.3	71.8	71.8	71.5	70.3	70.4	70.5	71.0*	71.7	72.1	72.6
Activity rate (65 years and more, in %)	7.7	8.8	6.4	7.6	7.3	6.3	5.0	6.7	7.5*	7.3	7.2	7.0
Active population (ILO definition)	1,022	1,035	1,042	1,042	1,041	1,019	1,013	1,008	1,016	1,018	1,017	1,017
- yearly growth (in %)	0.7	1.3	0.6	0.0	0.0	-2.1	-0.6	-0.6	0.8	0.3	-0.1	0.0
EMPLOYMENT AND UNEMPLOYMENT												
Employment (National accounts concept, in thousands)	944.1	975.8	1,000.8	982.9	961.7	946.0	938.2	924.3	930.5	938.1	943.5	950.4
- yearly growth (in %)	1.6	3.4	2.6	-1.8	-2.2	-1.6	-0.8	-1.5	0.7	0.8	0.6	0.7
Employment (ILO concept, in thousands)	961.2	985.2	996.1	980.7	966.0	936.2	923.7	906.0	916.8	924.2	929.5	936.3
- yearly growth (in %)	1.3	2.5	1.1	-1.5	-1.5	-3.1	-1.3	-1.9	1.2	0.8	0.6	0.7
Employment rate (15-64 years, in %)	66.6	67.8	68.6	67.5	66.2	64.4	64.1	63.3	63.9*	64.9	65.7	66.7
Formal employment (statistical register, in thousands)**	824.8	854.0	879.3	858.2	835.0	824.0	810.0	793.6	797.8	803.7	808.4	814.5
- yearly growth (in %)	1.4	3.5	3.0	-2.4	-2.7	-1.3	-1.7	-2.0	0.5	0.7	0.6	0.7
- Paid employment (in thousands)	741.6	766.0	789.9	767.4	747.2	729.1	717.0	698.7	703.0	708.7	713.2	718.8
- yearly growth (in %)	1.4	3.3	3.1	-2.8	-2.6	-2.4	-1.6	-2.6	0.6	0.8	0.6	0.8
- Self employed (in thousands)	83.3	87.9	89.4	90.8	87.8	94.9	93.0	94.9	94.8	95.0	95.2	95.7
- yearly growth (in %)	2.1	5.6	1.6	1.6	-3.3	8.1	-2.1	2.1	-0.1	0.2	0.2	0.5
Unemployment (ILO concept, in thousands)	60.9	49.7	45.1	60.8	75.2	83.3	89.7	101.8	98.8	94.1	87.7	80.8
- yearly growth (in %)	-7.7	-18.4	-9.3	34.8	23.7	10.8	7.7	13.5	-3.0	-4.7	-6.9	-7.8
Unemployment (registered, in thousands)	85.8	71.3	63.2	86.4	100.5	110.7	110.2	119.8	120.1	114.3	110.4	102.7
- yearly growth (in %)	-6.6	-16.9	-11.4	36.6	16.4	10.1	-0.5	8.8	0.2	-4.8	-3.4	-6.9
Unemployment rate (ILO concept, in %)	6.0	4.9	4.4	5.9	7.3	8.2	8.9	10.1	9.7	9.2	8.6	7.9
Unemployment rate (registered, in %)	9.4	7.7	6.7	9.1	10.7	11.8	12.0	13.1	13.1	12.5	12.0	11.2

Source: SURS, ESS, forecasts by IMAD and Eurostat.

Note: * IMAD estimate. ** According to the Statistical Register of Employment, including the estimate of self-employed farmers.

Table 9: Indicators of international competitiveness

	Annual growth rates in %										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
											forecast
Effective exchange rate ¹											
Nominal	-0.1	0.4	0.7	1.1	-2.1	-0.1	-1.2	1.0	0.2	-2.3	-0.1
Real - based on consumer prices	0.3	1.7	2.5	1.3	-1.8	-1.1	-1.0	1.3	-0.3	-3.0	-0.5
Real - based on ULC in economy as a whole	0.0	1.2	3.7	6.0	-1.5	-2.0	-3.1	0.3	-3.1	-4.1	-0.9
Unit labour costs components											
Nominal unit labour costs	1.3	2.6	6.4	8.5	0.5	-0.7	0.6	1.4	-2.1	-0.6	0.4
Compensation of employees per employee	5.4	6.2	7.2	1.8	4.0	1.6	-1.2	1.9	-0.2	0.9	1.9
Labour productivity, real ²	4.0	3.5	0.7	-6.1	3.5	2.3	-1.8	0.5	2.0	1.5	1.5
Real unit labour costs	-0.9	-1.5	1.8	5.0	1.6	-1.8	0.3	0.0	-2.5	-1.7	0.1
Labour productivity, nominal ³	6.3	7.8	5.3	-3.0	2.4	3.5	-1.5	1.9	2.4	2.7	1.8

Source: SURS national accounts statistics, BoS, ECB, OECD, Consensus Forecasts February 2015, calculations and forecasts by IMAD.

Notes: ¹ Harmonised effective exchange rate - 19 group of trading partners and 18 Euro area countries; a rise in the value indicates appreciation and of national currency and vice versa. ²GDP per employee (in constant prices); ³GDP per employee (in current prices).

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

EUR million, current prices (fixed 2007 exchange rate)

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2006	2007	2008	2009	2010	2011	2012	2013	2014
I. TOTAL GENERAL GOVERNMENT REVENUES	12,959	14,006	15,339	14,408	14,794	14,982	14,999	14,728	15,492
TAX REVENUES	11,762	12,758	13,937	12,955	12,848	13,209	13,118	12,648	13,192
TAXES ON INCOME AND PROFIT	2,735	2,918	3,442	2,805	2,491	2,724	2,657	2,137	2,386
Personal income tax	1,793	1,804	2,185	2,093	2,039	2,054	2,077	1,868	1,916
Corporate income tax	942	1,113	1,257	712	449	668	577	265	468
SOCIAL SECURITY CONTRIBUTIONS	4,231	4,598	5,095	5,161	5,234	5,268	5,244	5,127	5,272
TAXSES ON PAYROLL AND WORKFORCE	473	418	258	28	28	29	26	23	20
Payroll tax	450	392	230	1	0	0	0	0	0
Tax on work contracts	23	27	28	27	28	29	26	23	20
TAXES ON PROPERTY	189	206	215	207	220	215	234	254	244
DOMESTIC TAXES ON GOODS AND SERVICES	4,077	4,499	4,805	4,660	4,781	4,856	4,876	5,027	5,191
TAXES ON INTERN. TRADE AND TRANSACTIONS	51	117	120	91	91	100	83	77	78
OTHER TAXES	5	2	2	3	4	17	-1	1	0
NON-TAX REVENUES	633	709	855	684	923	829	912	989	1,185
CAPITAL REVENUES	167	137	117	107	176	65	63	67	51
GRANTS	5	12	10	11	13	10	9	33	19
TRANSFERS REVENUES	43	42	54	54	110	54	52	53	5
RECEIPTS FROM THE EU BUDGET	348	348	365	597	725	815	845	938	1,040

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

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

Per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2006	2007	2008	2009	2010	2011	2012	2013	2014
I. TOTAL GENERAL GOVERNMENT REVENUES	41.1	39.8	40.4	39.8	40.8	40.6	41.7	40.7	41.6
TAX REVENUES	37.3	36.3	36.7	35.8	35.5	35.8	36.4	35.0	35.4
TAXES ON INCOME AND PROFIT	8.7	8.3	9.1	7.8	6.9	7.4	7.4	5.9	6.4
Personal income tax	5.7	5.1	5.8	5.8	5.6	5.6	5.8	5.2	5.1
Corporate income tax	3.0	3.2	3.3	2.0	1.2	1.8	1.6	0.7	1.3
SOCIAL SECURITY CONTRIBUTIONS	13.4	13.1	13.4	14.3	14.5	14.3	14.6	14.2	14.2
TAXSES ON PAYROLL AND WORKFORCE	1.5	1.2	0.7	0.1	0.1	0.1	0.1	0.1	0.1
Payroll tax	1.4	1.1	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Tax on work contracts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TAXES ON PROPERTY	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
DOMESTIC TAXES ON GOODS AND SERVICES	12.9	12.8	12.7	12.9	13.2	13.2	13.5	13.9	13.9
TAXES ON INTERN. TRADE AND TRANSACTIONS	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
OTHER TAXES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON-TAX REVENUES	2.0	2.0	2.3	1.9	2.5	2.2	2.5	2.7	3.2
CAPITAL REVENUES	0.5	0.4	0.3	0.3	0.5	0.2	0.2	0.2	0.1
GRANTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
TRANSFERS REVENUES	0.1	0.1	0.1	0.2	0.3	0.1	0.1	0.1	0.0
RECEIPTS FROM THE EU BUDGET	1.1	1.0	1.0	1.6	2.0	2.2	2.3	2.6	2.8

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

Table 11a: Consolidated general government expenditure; GFS - IMF Methodology

EUR million, current prices (fixed exchange rate)

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2006	2007	2008	2009	2010	2011	2012	2013	2014
II. TOTAL EXPENDITURE	13,209	13,915	15,442	16,368	16,693	16,546	16,126	16,286	16,751
CURRENT EXPENDITURE	5,689	5,951	6,557	6,801	6,960	6,927	6,814	6,838	7,042
WAGES AND OTHER PERSONNEL EXPENDITURE	2,671	2,762	3,037	3,363	3,359	3,330	3,185	3,114	3,117
SOCIAL SECURITY CONTRIBUTIONS	509	515	542	549	553	553	543	503	494
PURCHASES OF GOODS AND SERVICES	2,073	2,212	2,527	2,510	2,512	2,443	2,373	2,239	2,232
INTEREST PAYMENTS	376	357	335	336	488	527	648	840	1,097
BUDGETARY RESERVES	59	105	116	43	47	74	65	143	102
CURRENT TRANSFERS	5,926	6,144	6,742	7,339	7,629	7,819	7,687	7,671	7,592
SUBSIDIES	403	423	477	598	582	496	503	520	467
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	4,871	5,093	5,619	6,024	6,278	6,533	6,384	6,343	6,335
OTHER CURRENT DOMESTIC TRANSFERS	651	627	647	717	769	789	800	809	789
CAPITAL EXPENDITURE TOTAL	1,306	1,465	1,714	1,789	1,707	1,396	1,235	1,351	1,714
CAPITAL EXPENDITURE	901	1,130	1,255	1,294	1,311	1,024	915	1,032	1,444
CAPITAL TRANSFERS	405	334	459	495	396	372	320	319	270
PAYMENTS TO THE EU BUDGET	288	356	428	439	397	405	390	425	403
III. GENERAL GOVERNMENT BUDGETARY SURPLUS / DEFICIT (I. - II.)	-250	91	-103	-1,960	-1,899	-1,564	-1,127	-1,558	-1,259

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

Table 11b: Consolidated general government expenditure; GFS - IMF Methodology

Per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2006	2007	2008	2009	2010	2011	2012	2013	2014
II. TOTAL EXPENDITURE	41.9	39.6	40.7	45.3	46.1	44.9	44.8	45.1	45.0
CURRENT EXPENDITURE	18.0	16.9	17.3	18.8	19.2	18.8	18.9	18.9	18.9
WAGES AND OTHER PERSONNEL EXPENDITURE	8.5	7.9	8.0	9.3	9.3	9.0	8.8	8.6	8.4
SOCIAL SECURITY CONTRIBUTIONS	1.6	1.5	1.4	1.5	1.5	1.5	1.5	1.4	1.3
PURCHASES OF GOODS AND SERVICES	6.6	6.3	6.7	6.9	6.9	6.6	6.6	6.2	6.0
INTEREST PAYMENTS	1.2	1.0	0.9	0.9	1.3	1.4	1.8	2.3	2.9
BUDGETARY RESERVES	0.2	0.3	0.3	0.1	0.1	0.2	0.2	0.4	0.3
CURRENT TRANSFERS	18.8	17.5	17.8	20.3	21.1	21.2	21.3	21.2	20.4
SUBSIDIES	1.3	1.2	1.3	1.7	1.6	1.3	1.4	1.4	1.3
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	15.4	14.5	14.8	16.7	17.3	17.7	17.7	17.5	17.0
OTHER CURRENT DOMESTIC TRANSFERS	2.1	1.8	1.7	2.0	2.1	2.1	2.2	2.2	2.1
CAPITAL EXPENDITURE TOTAL	4.1	4.2	4.5	4.9	4.7	3.8	3.4	3.7	4.6
CAPITAL EXPENDITURE	2.9	3.2	3.3	3.6	3.6	2.8	2.5	2.9	3.9
CAPITAL TRANSFERS	1.3	1.0	1.2	1.4	1.1	1.0	0.9	0.9	0.7
PAYMENTS TO THE EU BUDGET	0.9	1.0	1.1	1.2	1.1	1.1	1.1	1.2	1.1
III. GENERAL GOVERNMENT BUDGETARY SURPLUS / DEFICIT (I. - II.)	-0.8	0.3	-0.3	-5.4	-5.2	-4.2	-3.1	-4.3	-3.4

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

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions*

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
1. ME ... Mean Error									
IMAD	2002 - 2008	-0.03	-0.17	-0.24	0.03	-0.76	-0.36	-0.47	0.11
	2002 - 2009	1.46	1.21	0.26	0.09	-0.38	0.06	-0.48	0.11
	2002 - 2010	1.28	1.04	0.17	0.04	-0.36	0.02	-0.48	0.13
	2002 - 2011	1.41	1.21	0.39	0.21	-0.34	0.11	-0.39	0.10
	2002 - 2012	1.73	1.49	0.48	0.22	-0.27	0.03	-0.41	0.11
	2002 - 2013	1.78	1.34	0.38	0.09	-0.25	0.06	-0.35	0.12
	2002 - 2014	1.45	0.98	0.18	0.04	-0.12	0.18	-0.32	0.12
BoS	2002 - 2008	-0.11	-0.43	-0.39	-0.10	-0.88	-0.81	-0.46	-0.03
	2002 - 2009	1.36	1.04	0.39	0.05	-0.39	-0.39	-0.46	0.00
	2002 - 2010	1.29	0.97	0.36	0.03	-0.34	-0.38	-0.43	-0.06
	2002 - 2011	1.36	1.08	0.52	0.18	-0.34	-0.31	-0.30	0.07
	2002 - 2012	1.69	1.35	0.57	0.21	-0.34	-0.37	-0.30	0.09
	2002 - 2013	1.69	1.27	0.46	0.07	-0.32	-0.30	-0.23	0.12
	2002 - 2014	1.40	0.92	0.27	-0.02	-0.19	-0.16	-0.19	0.13
SKEP	2002 - 2008	-0.14	-0.24	-0.33	0.04	-0.63	-0.43	-0.24	0.06
	2002 - 2009	1.38	1.19	0.38	0.14	-0.23	-0.04	-0.20	0.04
	2002 - 2010	1.27	1.00	0.28	0.08	-0.20	-0.09	-0.18	0.04
	2002 - 2011	1.36	1.11	0.44	0.19	-0.16	-0.03	-0.08	0.02
	2002 - 2012	1.66	1.29	0.50	0.24	-0.16	-0.11	-0.12	0.00
	2002 - 2013	1.68	1.13	0.33	0.09	-0.14	-0.03	-0.07	0.01
	2002 - 2014	1.35	0.75	0.13	0.01	0.00	0.10	0.01	0.06
EC	2002 - 2008	-0.23	-0.34	-0.37	-0.16	-0.36	-0.10	-0.13	0.17
	2002 - 2009	1.25	1.04	0.23	-0.09	-0.01	0.26	-0.14	0.15
	2002 - 2010	1.06	0.93	0.19	-0.09	0.01	0.22	-0.12	0.17
	2002 - 2011	1.15	1.05	0.38	0.05	0.03	0.22	-0.03	0.16
	2002 - 2012	1.48	1.25	0.43	0.05	-0.02	0.08	-0.06	0.16
	2002 - 2013	1.51	1.11	0.32	-0.09	-0.03	0.11	-0.02	0.18
	2002 - 2014	1.18	0.75	0.15	-0.10	0.07	0.23	0.02	0.18
IMF	2002 - 2008	-0.19	-0.39	-0.42	-0.34	-0.66	-0.63	-0.58	0.07
	2002 - 2009	1.25	1.10	0.27	0.09	-0.39	-0.25	-0.56	0.01
	2002 - 2010	1.13	0.91	0.23	0.03	-0.38	-0.26	-0.53	-0.02
	2002 - 2011	1.24	1.08	0.43	0.24	-0.29	-0.18	-0.44	-0.02
	2002 - 2012	1.55	1.37	0.50	0.23	-0.22	-0.21	-0.43	-0.05
	2002 - 2013	1.63	1.32	0.39	0.08	-0.20	-0.22	-0.40	-0.01
	2002 - 2014	1.42	0.91	0.18	-0.02	-0.05	-0.08	-0.29	0.02
WIIW	2002 - 2008	-0.73	-0.29	-0.23	-0.43	-1.53	-0.90	-0.44	-0.01
	2002 - 2009	0.90	1.26	0.78	0.10	-1.01	-0.28	-0.19	0.06
	2002 - 2010	0.89	1.10	0.67	0.01	-0.82	-0.22	-0.20	0.02
	2002 - 2011	1.02	1.21	0.82	0.23	-0.72	-0.18	-0.08	0.09
	2002 - 2012	1.36	1.54	0.86	0.28	-0.66	-0.17	-0.13	0.03
	2002 - 2013	1.22	1.54	0.61	0.11	-0.59	-0.14	-0.06	0.08
	2002 - 2014	0.89	1.15	0.32	0.04	-0.41	0.01	0.08	0.12

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions* - continue

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
2. MAE ... Mean Absolute Error									
IMAD	2002 - 2008	1.14	1.00	0.76	0.43	1.10	0.87	0.47	0.17
	2002 - 2009	2.49	2.24	1.14	0.44	1.25	1.14	0.48	0.16
	2002 - 2010	2.23	2.02	1.08	0.42	1.13	1.04	0.48	0.18
	2002 - 2011	2.27	2.09	1.21	0.55	1.04	1.03	0.47	0.18
	2002 - 2012	2.51	2.29	1.23	0.53	0.98	1.01	0.48	0.18
	2002 - 2013	2.49	2.13	1.19	0.59	0.90	0.96	0.47	0.18
	2002 - 2014	2.48	2.22	1.26	0.59	0.94	1.02	0.44	0.18
BoS	2002 - 2008	1.06	1.03	0.79	0.50	1.05	0.81	0.46	0.26
	2002 - 2009	2.39	2.31	1.41	0.58	1.27	1.04	0.46	0.25
	2002 - 2010	2.20	2.10	1.27	0.52	1.11	0.96	0.43	0.28
	2002 - 2011	2.18	2.10	1.34	0.62	1.03	0.89	0.48	0.27
	2002 - 2012	2.44	2.27	1.32	0.61	0.96	0.90	0.46	0.27
	2002 - 2013	2.38	2.12	1.28	0.68	0.88	0.87	0.47	0.28
	2002 - 2014	2.35	2.21	1.33	0.71	0.91	0.92	0.45	0.28
SKEP	2002 - 2008	1.03	0.93	0.79	0.59	1.20	0.91	0.41	0.09
	2002 - 2009	2.40	2.21	1.35	0.61	1.38	1.14	0.38	0.09
	2002 - 2010	2.18	2.02	1.26	0.59	1.22	1.07	0.33	0.09
	2002 - 2011	2.18	2.03	1.32	0.65	1.12	1.01	0.38	0.10
	2002 - 2012	2.41	2.13	1.30	0.69	1.04	1.00	0.39	0.11
	2002 - 2013	2.36	2.00	1.32	0.76	0.96	0.98	0.40	0.11
	2002 - 2014	2.37	2.15	1.39	0.78	1.02	1.04	0.44	0.15
EC	2002 - 2008	1.03	1.06	0.89	0.41	1.44	1.07	0.27	0.20
	2002 - 2009	2.35	2.26	1.33	0.41	1.56	1.29	0.26	0.18
	2002 - 2010	2.14	2.02	1.19	0.38	1.41	1.16	0.23	0.19
	2002 - 2011	2.13	2.03	1.28	0.47	1.29	1.06	0.29	0.18
	2002 - 2012	2.37	2.15	1.25	0.43	1.22	1.08	0.30	0.18
	2002 - 2013	2.33	2.01	1.22	0.53	1.13	1.03	0.31	0.19
	2002 - 2014	2.35	2.13	1.26	0.50	1.13	1.08	0.32	0.19
IMF	2002 - 2008	0.99	1.01	0.88	0.57	1.31	1.23	0.64	0.19
	2002 - 2009	2.28	2.33	1.41	0.89	1.34	1.38	0.61	0.21
	2002 - 2010	2.04	2.13	1.26	0.83	1.22	1.26	0.57	0.22
	2002 - 2011	2.06	2.18	1.36	0.96	1.15	1.18	0.56	0.20
	2002 - 2012	2.30	2.37	1.35	0.88	1.09	1.12	0.54	0.22
	2002 - 2013	2.32	2.23	1.31	0.93	1.00	1.05	0.50	0.24
	2002 - 2014	2.22	2.37	1.39	0.95	1.05	1.09	0.53	0.25
WIIW	2002 - 2008	1.47	1.14	0.94	0.71	2.13	1.19	0.81	0.30
	2002 - 2009	2.83	2.51	1.80	1.10	2.19	1.55	0.91	0.34
	2002 - 2010	2.60	2.26	1.62	1.06	2.02	1.40	0.84	0.33
	2002 - 2011	2.56	2.25	1.68	1.17	1.84	1.28	0.86	0.37
	2002 - 2012	2.76	2.48	1.65	1.14	1.68	1.17	0.84	0.39
	2002 - 2013	2.57	2.41	1.69	1.19	1.56	1.09	0.83	0.42
	2002 - 2014	2.60	2.50	1.80	1.16	1.58	1.15	0.89	0.42

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions* - continue

		Gross domestic product, real				Inflation, year average			
		PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt
3. RMSE ... Root Mean Square Error									
IMAD	2002 - 2008	1.31	1.14	0.88	0.60	1.45	1.12	0.64	0.23
	2002 - 2009	4.38	4.00	1.58	0.58	1.58	1.49	0.62	0.22
	2002 - 2010	4.13	3.77	1.50	0.56	1.49	1.41	0.61	0.23
	2002 - 2011	4.00	3.68	1.61	0.76	1.42	1.37	0.59	0.23
	2002 - 2012	4.09	3.74	1.59	0.73	1.36	1.33	0.59	0.23
	2002 - 2013	3.98	3.58	1.54	0.79	1.30	1.28	0.57	0.22
	2002 - 2014	3.88	3.57	1.59	0.78	1.31	1.31	0.55	0.22
BoS	2002 - 2008	1.19	1.19	0.96	0.59	1.47	1.18	0.53	0.32
	2002 - 2009	4.28	4.15	2.24	0.67	1.68	1.44	0.53	0.31
	2002 - 2010	4.05	3.91	2.11	0.64	1.57	1.36	0.50	0.33
	2002 - 2011	3.89	3.77	2.10	0.77	1.49	1.29	0.55	0.32
	2002 - 2012	4.00	3.79	2.03	0.75	1.42	1.27	0.54	0.32
	2002 - 2014	3.86	3.63	1.96	0.84	1.35	1.22	0.53	0.33
	2002 - 2014	3.76	3.61	1.96	0.85	1.34	1.25	0.52	0.33
SKEP	2002 - 2008	1.17	1.08	0.94	0.70	1.53	1.14	0.53	0.11
	2002 - 2009	4.38	4.09	2.07	0.71	1.70	1.43	0.49	0.11
	2002 - 2010	4.13	3.86	1.96	0.68	1.60	1.36	0.46	0.11
	2002 - 2011	3.98	3.72	1.95	0.75	1.52	1.30	0.51	0.12
	2002 - 2012	4.05	3.67	1.89	0.89	1.45	1.27	0.51	0.13
	2002 - 2013	3.91	3.51	1.86	0.95	1.39	1.24	0.51	0.13
	2002 - 2014	3.82	3.55	1.90	0.96	1.42	1.28	0.55	0.23
EC	2002 - 2008	1.19	1.21	1.05	0.50	1.71	1.22	0.43	0.26
	2002 - 2009	4.25	3.95	1.84	0.49	1.81	1.51	0.40	0.24
	2002 - 2010	4.01	3.72	1.74	0.46	1.71	1.42	0.38	0.25
	2002 - 2011	3.86	3.59	1.78	0.60	1.62	1.35	0.44	0.24
	2002 - 2012	3.95	3.57	1.71	0.57	1.55	1.35	0.44	0.23
	2002 - 2013	3.82	3.42	1.66	0.72	1.49	1.30	0.43	0.24
	2002 - 2014	3.74	3.43	1.67	0.69	1.47	1.33	0.44	0.24
IMF	2002 - 2008	1.14	1.19	0.99	0.67	1.58	1.57	0.89	0.22
	2002 - 2009	4.14	4.22	2.03	1.26	1.57	1.69	0.85	0.25
	2002 - 2010	3.90	3.98	1.91	1.20	1.48	1.60	0.81	0.26
	2002 - 2011	3.76	3.86	1.94	1.32	1.42	1.53	0.77	0.24
	2002 - 2012	3.86	3.91	1.89	1.25	1.36	1.46	0.75	0.26
	2002 - 2013	3.76	3.75	1.83	1.28	1.30	1.40	0.72	0.29
	2002 - 2014	3.63	3.77	1.87	1.27	1.34	1.42	0.74	0.29
WIIW	2002 - 2008	1.73	1.31	1.08	0.79	3.20	1.58	1.00	0.43
	2002 - 2009	4.64	4.45	2.94	1.53	3.13	2.07	1.10	0.46
	2002 - 2010	4.38	4.20	2.77	1.46	2.96	1.95	1.04	0.44
	2002 - 2011	4.22	4.04	2.72	1.55	2.81	1.85	1.04	0.47
	2002 - 2012	4.27	4.12	2.62	1.50	2.68	1.77	1.00	0.49
	2002 - 2013	4.09	3.97	2.59	1.53	2.57	1.69	0.98	0.51
	2002 - 2014	4.02	3.94	2.63	1.49	2.52	1.70	1.05	0.51

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions* - continue

		Gross domestic product, real				Inflation, year average			
		PNT+1	JNT+1	PNT	JNT	PNT+1	JNT+1	PNT	JNT
4. stdMAE ... Standardised Mean Absolute Error									
IMAD	2002 - 2008	0.89	0.78	0.59	0.33	0.58	0.46	0.25	0.09
	2002 - 2009	0.57	0.51	0.26	0.10	0.58	0.53	0.22	0.08
	2002 - 2010	0.54	0.49	0.26	0.10	0.53	0.49	0.22	0.08
	2002 - 2011	0.57	0.53	0.30	0.14	0.49	0.49	0.22	0.09
	2002 - 2012	0.63	0.57	0.31	0.13	0.49	0.50	0.24	0.09
	2002 - 2013	0.64	0.54	0.30	0.15	0.45	0.48	0.24	0.09
	2002 - 2014	0.66	0.59	0.34	0.16	0.45	0.49	0.21	0.08
BoS	2002 - 2008	0.82	0.80	0.61	0.39	0.56	0.43	0.24	0.14
	2002 - 2009	0.55	0.53	0.32	0.13	0.59	0.48	0.22	0.12
	2002 - 2010	0.53	0.51	0.31	0.13	0.52	0.45	0.20	0.13
	2002 - 2011	0.55	0.53	0.34	0.16	0.49	0.42	0.23	0.13
	2002 - 2012	0.61	0.57	0.33	0.15	0.48	0.45	0.23	0.14
	2002 - 2013	0.61	0.54	0.33	0.17	0.45	0.44	0.24	0.14
	2002 - 2014	0.63	0.59	0.35	0.19	0.44	0.44	0.22	0.14
SKEP	2002 - 2008	0.80	0.72	0.61	0.46	0.64	0.49	0.22	0.05
	2002 - 2009	0.55	0.51	0.31	0.14	0.64	0.53	0.18	0.04
	2002 - 2010	0.53	0.49	0.30	0.14	0.57	0.50	0.16	0.04
	2002 - 2011	0.55	0.51	0.33	0.16	0.53	0.48	0.18	0.05
	2002 - 2012	0.60	0.53	0.32	0.17	0.51	0.50	0.19	0.05
	2002 - 2013	0.60	0.51	0.34	0.19	0.48	0.50	0.20	0.05
	2002 - 2014	0.63	0.57	0.37	0.21	0.49	0.50	0.21	0.07
EC	2002 - 2008	0.80	0.82	0.69	0.32	0.77	0.57	0.14	0.11
	2002 - 2009	0.54	0.52	0.30	0.09	0.73	0.60	0.12	0.08
	2002 - 2010	0.52	0.49	0.29	0.09	0.66	0.54	0.11	0.09
	2002 - 2011	0.54	0.51	0.32	0.12	0.61	0.50	0.14	0.09
	2002 - 2012	0.59	0.54	0.31	0.11	0.60	0.54	0.15	0.09
	2002 - 2013	0.59	0.51	0.31	0.13	0.57	0.52	0.16	0.10
	2002 - 2014	0.63	0.57	0.34	0.13	0.54	0.52	0.15	0.09
IMF	2002 - 2008	0.77	0.79	0.68	0.44	0.70	0.65	0.34	0.10
	2002 - 2009	0.52	0.53	0.32	0.20	0.62	0.64	0.28	0.10
	2002 - 2010	0.50	0.52	0.31	0.20	0.57	0.59	0.27	0.10
	2002 - 2011	0.52	0.55	0.34	0.24	0.55	0.56	0.26	0.10
	2002 - 2012	0.57	0.59	0.34	0.22	0.54	0.55	0.27	0.11
	2002 - 2013	0.59	0.57	0.34	0.24	0.50	0.53	0.25	0.12
	2002 - 2014	0.59	0.63	0.37	0.25	0.51	0.52	0.26	0.12
WIIW	2002 - 2008	1.15	0.89	0.73	0.56	1.13	0.63	0.43	0.16
	2002 - 2009	0.65	0.57	0.41	0.25	1.02	0.72	0.43	0.16
	2002 - 2010	0.63	0.55	0.39	0.26	0.95	0.66	0.40	0.16
	2002 - 2011	0.64	0.57	0.42	0.29	0.88	0.61	0.41	0.18
	2002 - 2012	0.69	0.62	0.41	0.28	0.83	0.58	0.42	0.19
	2002 - 2013	0.66	0.62	0.43	0.30	0.79	0.55	0.42	0.21
	2002 - 2014	0.69	0.67	0.48	0.31	0.76	0.55	0.43	0.20

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions* - continue

	Gross domestic product, real				Inflation, year average				
	PNt+1	JNt+1	PNt	JNt	PNt+1	JNt+1	PNt	JNt	
5. stdRMSE ... Standardised Root Mean Square Error									
IMAD	2002 - 2008	1.02	0.88	0.69	0.46	0.77	0.60	0.34	0.12
	2002 - 2009	1.00	0.91	0.36	0.13	0.74	0.70	0.29	0.10
	2002 - 2010	1.00	0.91	0.36	0.14	0.70	0.66	0.29	0.11
	2002 - 2011	1.01	0.92	0.41	0.19	0.67	0.65	0.28	0.11
	2002 - 2012	1.02	0.93	0.40	0.18	0.67	0.66	0.29	0.11
	2002 - 2013	1.02	0.91	0.39	0.20	0.66	0.64	0.29	0.11
	2002 - 2014	1.03	0.95	0.42	0.21	0.63	0.63	0.26	0.10
BoS	2002 - 2008	0.93	0.92	0.75	0.46	0.78	0.63	0.28	0.17
	2002 - 2009	0.98	0.95	0.51	0.15	0.79	0.67	0.25	0.14
	2002 - 2010	0.98	0.95	0.51	0.15	0.74	0.64	0.23	0.16
	2002 - 2011	0.98	0.95	0.53	0.19	0.71	0.62	0.26	0.15
	2002 - 2012	1.00	0.95	0.51	0.19	0.70	0.63	0.27	0.16
	2002 - 2013	0.99	0.93	0.50	0.21	0.68	0.62	0.27	0.17
	2002 - 2014	1.00	0.96	0.52	0.23	0.64	0.60	0.25	0.16
SKEP	2002 - 2008	0.91	0.84	0.74	0.54	0.81	0.61	0.28	0.06
	2002 - 2009	1.00	0.93	0.47	0.16	0.79	0.67	0.23	0.05
	2002 - 2010	1.00	0.94	0.48	0.17	0.75	0.64	0.22	0.05
	2002 - 2011	1.00	0.94	0.49	0.19	0.72	0.62	0.24	0.06
	2002 - 2012	1.01	0.91	0.47	0.22	0.72	0.63	0.25	0.06
	2002 - 2013	1.00	0.90	0.48	0.24	0.70	0.62	0.26	0.06
	2002 - 2014	1.02	0.94	0.51	0.25	0.68	0.61	0.26	0.11
EC	2002 - 2008	0.92	0.94	0.82	0.39	0.91	0.65	0.23	0.14
	2002 - 2009	0.97	0.90	0.42	0.11	0.84	0.70	0.19	0.11
	2002 - 2010	0.97	0.90	0.42	0.11	0.80	0.67	0.18	0.12
	2002 - 2011	0.97	0.90	0.45	0.15	0.77	0.64	0.21	0.11
	2002 - 2012	0.99	0.89	0.43	0.14	0.77	0.67	0.22	0.12
	2002 - 2013	0.98	0.87	0.42	0.18	0.75	0.65	0.22	0.12
	2002 - 2014	1.00	0.91	0.45	0.18	0.70	0.64	0.21	0.11
IMF	2002 - 2008	0.89	0.93	0.77	0.52	0.84	0.83	0.48	0.12
	2002 - 2009	0.94	0.96	0.46	0.29	0.73	0.79	0.40	0.12
	2002 - 2010	0.95	0.97	0.46	0.29	0.70	0.75	0.38	0.12
	2002 - 2011	0.95	0.97	0.49	0.33	0.67	0.73	0.37	0.12
	2002 - 2012	0.96	0.97	0.47	0.31	0.67	0.73	0.37	0.13
	2002 - 2013	0.96	0.96	0.47	0.33	0.66	0.71	0.36	0.15
	2002 - 2014	0.97	1.00	0.50	0.34	0.64	0.68	0.36	0.14
WIIW	2002 - 2008	1.35	1.02	0.84	0.62	1.70	0.84	0.53	0.23
	2002 - 2009	1.06	1.02	0.67	0.35	1.46	0.97	0.51	0.21
	2002 - 2010	1.06	1.02	0.67	0.36	1.39	0.92	0.49	0.21
	2002 - 2011	1.06	1.02	0.68	0.39	1.34	0.88	0.49	0.23
	2002 - 2012	1.07	1.03	0.65	0.37	1.33	0.88	0.50	0.24
	2002 - 2013	1.05	1.01	0.66	0.39	1.30	0.86	0.50	0.26
	2002 - 2014	1.07	1.05	0.70	0.40	1.21	0.82	0.51	0.24

Table 12: **Comparison of the performance of forecasts for economic growth and inflation of individual institutions*** - notes

Signs:

**This is the assessment of forecast accuracy that was published in the Spring Forecast of Economic Trends 2015.

Negative values indicate an overestimation, while positive values indicate an underestimation.

The BS and WIIW data for inflation forecast PNT+1 cover the period since 2003; the WIIW data for GDP PNT+1 cover the period since 2003.

PNT+1 - Spring Forecast for the year ahead;

JNT+1 - Autumn Forecast for the year ahead;

PNT - Spring Forecast for the current year;

JNT - Autumn Forecast for the current year.

Source of data:

Spring Forecast of economic trends, Autumn Forecast of economic trends (March, September), Ljubljana, Institute of Macroeconomic Analysis and Development (IMAD).

Price Stability Report (April, September), Ljubljana, Bank of Slovenia (BS).

Current Economic Trends and Indicators, (July, December), Ljubljana, (SKEP)- Economic Outlook, Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, Spring

Economic Forecast, Autumn Economic Forecast (May, November), European Commission (EC)

World Economic Outlook (April, October), Washington, International Monetary Fund (IMF).

Current Analyses and Forecasts (March, October), WIIW

Acronyms

Acronyms in the text

ABSPP – Asset Backed Securities Purchase Programme, **BAMC** - Bank Asset Management Company, **BoS** – Bank of Slovenia, **CBPP** – Covered Bond Purchase Programme, **EC** – European Commission, **ECB** – European Central Bank, **EIA** – Energy Information Administration, **ESS** – Employment Service of Slovenia, **EU** – European union, **GDP** – Gross domestic product, **GFS** – Government Finance Statistics, **HICP**-Harmonised Index of Consumer Prices, **IMAD** – Institute of Macroeconomic Analysis and Development, **IMF** – International Monetary Fund, **MF** – Ministry of Finance, **MSP** – mala in srednja podjetja, **NAWRU** – Non-Accelerating Wage Rate of Unemployment, **NFI** – Non-monetary Financial Institutions, **OECD** – Organization for Economic Co-operation and Development, **RS** – Republic of Slovenia, **SITC** – Standard International Trade Classification, **SKEP** - Analysis and Forecasts of the Chamber of Commerce and Industry of Slovenia, **SMEs** – small and medium-sized enterprises, **SURS** – Statistical Office of the Republic of Slovenia, **TLTRO** – Targeted Longer Term Refinancing Operations, **VAT** – value added tax, **WIIW** - The Vienna Institute for International Economic Studies.

Acronyms of Standard Classification of Activities (SCA)

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 organizations and bodies.

Acronyms of Countries

AT-Austria, **BA**-Bosnia and Herzegovina, **BE**-Belgium, **BG**-Bulgaria, **BY**-Belarus, **CH**-Switzerland, **HR**-Croatia, **CZ**-Czech Republic, **CY**-Cyprus, **DE**-Germany, **DK**-Denmark, **ES**-Spain, **EE**-Estonia, **GR**-Greece, **FR**-France, **FI**-Finland, **HU**-Hungary, **IT**-Italy, **IL**-Israel, **IE**-Ireland, **JP**-Japan, **LU**-Luxembourg, **LT**-Lithuania, **LV**-Latvia, **MT**-Malta, **NL**-Netherlands, **NO**-Norway, **PL**-Poland, **PT**-Portugal, **RO**-Romania, **RS**-Republic of Serbia, **RU**-Russia, **SE**-Sweden, **SI**-Slovenia, **SK**-Slovakia, **TR**-Turkey, **UA**-Ukraine, **UK**-United Kingdom, **US**-United States of America.

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