IMAD

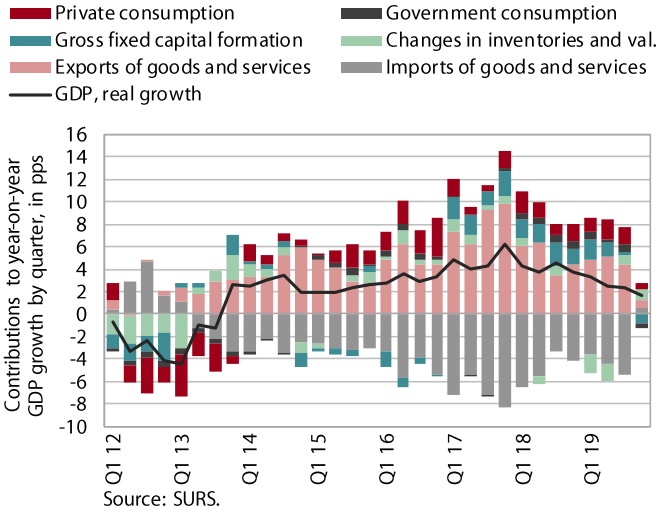
Institute of
Macroeconomic
Analysis and
Development

2 March 2020

CURRENT ECONOMIC TRENDS
24–28 February 2020

Economic growth slowed down last year, particularly growth in investment and exports being lower year on year. Amid still relatively favourable labour market conditions, household consumption increased further last year. Most sectors recorded more modest growth in activity year on year. In the service sector, activity growth slowed more visibly at the end of the year.
Consumer price growth was hovering around 2% in the first months of this year; growth in prices of services remains higher.

GDP, Q4 2019 and the entire 2019

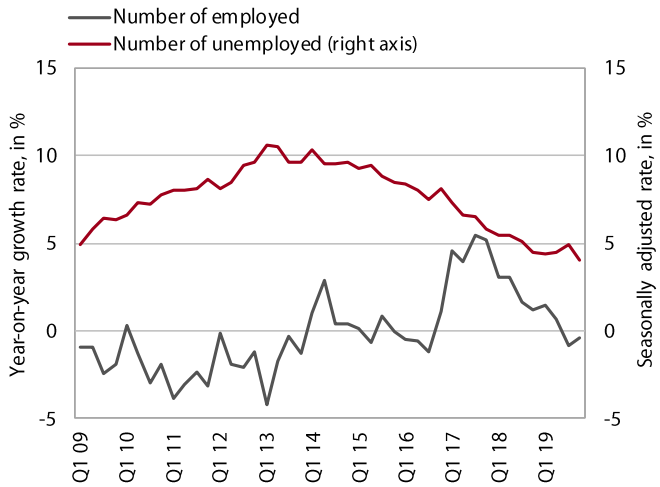


Source: SURS.

Real GDP growth eased year on year to 1.7% in the last quarter of 2019, totalling 2.4% for the year as a whole, which is considerably less than in 2018 (4.1%). Growth in exports and, in particular, investment slowed noticeably. In the last quarter their volume dropped further relative to the previous quarter, which was, in addition to lower economic growth in trading partners, to a great extent due to uncertainty in the international environment. The slowdown in export growth and growth in industrial production started to spill over into the service sector more visibly towards the end of the year. Household consumption remained strong, supported by relatively high growth in employment and growth in wages and social transfers. As these developments were also reflected in slower growth in imports, net exports made a positive contribution to GDP growth last year (0.5 pps).

EXTRA INFORMATION: phone: +386 1 478 10 04, 030 451 939, e-mail: polona.osrajnik@gov.si

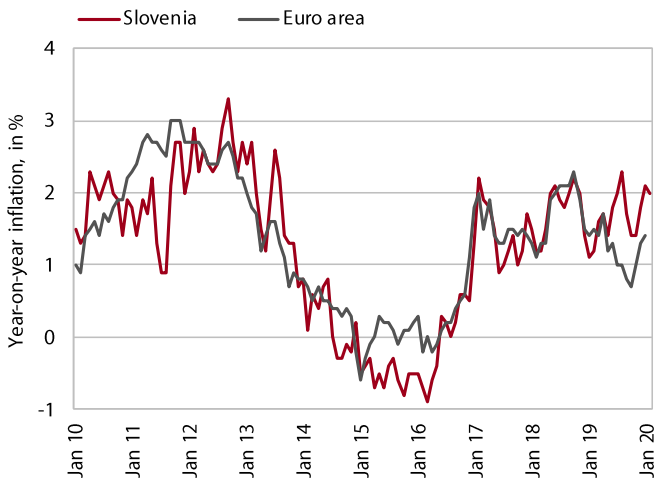
Active and inactive population, Q4 2019



Source: SURS; calculations by IMAD.

According to the Labour Force Survey data, employment remained high in the last quarter of 2019, while unemployment was the lowest thus far. The number of employed persons increased further (mainly as a result of the hiring of foreigners), while the number of self-employed persons and unpaid family workers declined slightly again. ILO unemployment was the lowest thus far, in terms of both number and rate (4%).

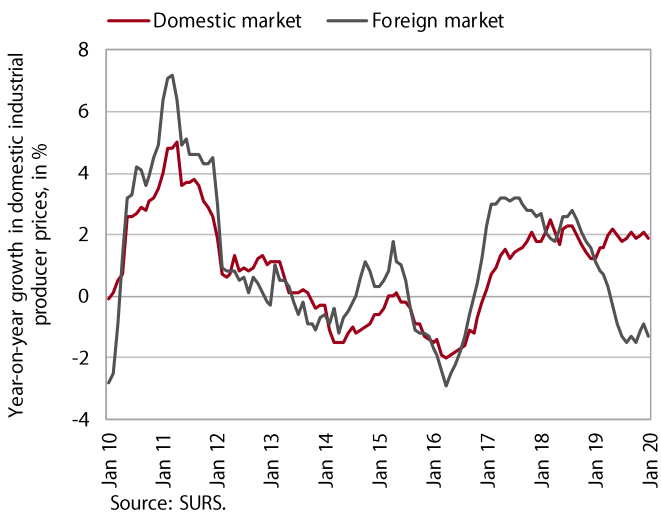
Prices, February 2020



Source: SURS, Eurostat.

In February consumer prices were 2% higher year on year. Growth in food prices strengthened again amid further growth in prices of meat and fruit. The contribution of energy dropped due to a monthly decline in prices of oil products. Price growth in services remained just above 2.5%. The high growth of insurance prices and prices of housing-related goods and services continued. Prices of package holidays were also somewhat higher than last year. Growth in prices of semi-durable goods strengthened slightly in February (to 1.1%), while prices of durable goods remained down year on year.

Slovenian industrial producer prices, January 2020

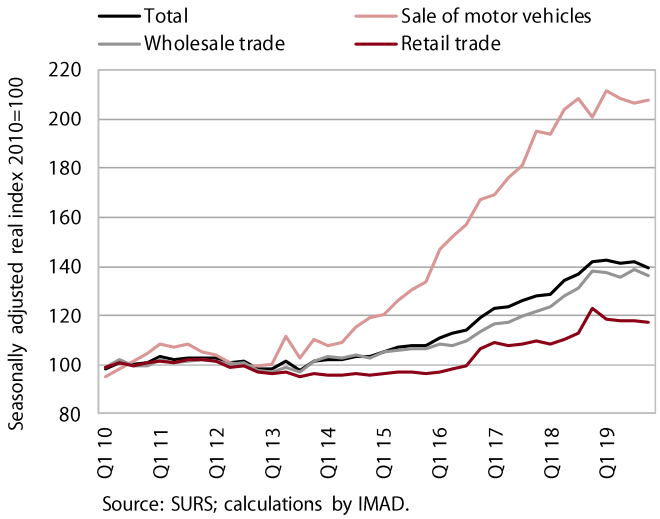


Source: SURS.

Total year-on-year growth in Slovenian industrial producer prices moderated further in January. The decline in prices on foreign markets (especially in the euro area) deepened. Particularly prices of investment goods declined in January. The year-on-year decline in raw material prices also made a significant contribution to the somewhat lower price growth on the domestic market. This otherwise remains at around 2%, one of the main reasons being high (around 15%) price growth in electricity, gas and steam supply. Growth in household consumption and rises in meat prices are reflected in a strengthening of consumer price growth on the domestic market, which was the highest since 2007, at 2.7%.

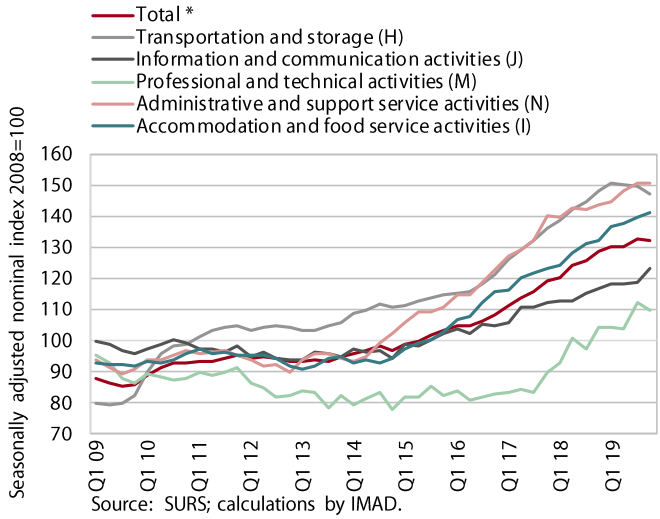
EXTRA INFORMATION: phone: +386 1 478 10 04, 030 451 939, e-mail: polona.osrajnik@gov.si

Trade, December 2019



Following first-quarter growth, turnover in trade remained at a similar level until the end of last year. After increasing at the beginning of the year, turnover in *wholesale trade* remained practically unchanged, which was also due to less favourable developments in some trade-related activities (transportation, construction and manufacturing). Since the beginning of 2019, turnover has also remained more or less unchanged in *retail trade*, within which the sale of automotive fuels was declining throughout the year, while the sale of non-durable goods was rising amid increased household consumption. Following a decline in the middle of the year, turnover in *trade of motor vehicles* improved somewhat at the end of last year under the impact of higher passenger car sales to natural persons and December's high growth of sales to legal persons.

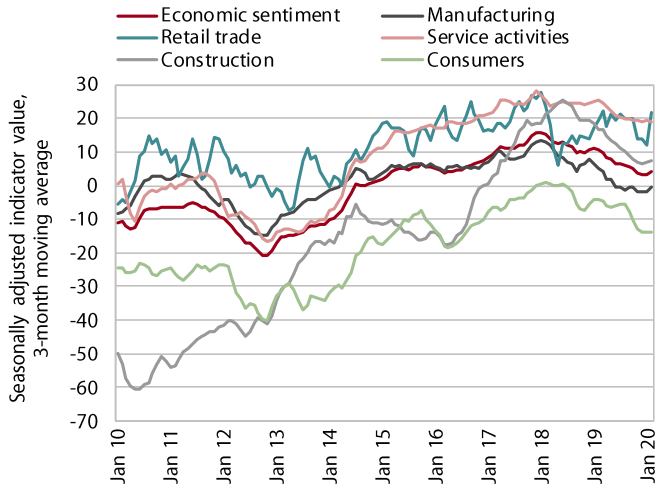
Market services, December 2019



Turnover in market services dropped slightly in the last quarter after strengthening in the first three. The decline in turnover was largest in *professional and technical activities*, mainly owing to a further fall in architectural and engineering services. Turnover also continued to decline in most activities of *transportation*, especially port traffic due to a lower volume of goods handled. Turnover in *administrative and support service activities* dropped somewhat, mainly as a consequence of declining turnover in employment services. Turnover growth in *accommodation and food service activities* eased somewhat, partly due to a lower number of foreign tourist visits than one year earlier. Turnover growth in *information and communication activities* accelerated due to growth in telecommunication services.

EXTRA INFORMATION: phone: +386 1 478 10 04, 030 451 939, e-mail: polona.osrajnik@gov.si

Economic sentiment, February 2020



Source: SURS; calculations by IMAD.

Economic sentiment improved slightly at the beginning of this year; however, the survey was conducted before the outbreak of coronavirus in Italy. In addition to retail trade, confidence improved slightly in manufacturing and construction. Confidence in service activities remained fairly high, while confidence among consumers remained almost unchanged. Although improving in all activities and among consumers, confidence remains significantly lower than in the same period of last year. However, as the survey was conducted in the first half of February, economic sentiment indicators do not yet include the response of companies and consumers to the outbreak of coronavirus in Italy.

EXTRA INFORMATION: phone: +386 1 478 10 04, 030 451 939, e-mail: polona.osrajnik@gov.si

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
GDP, real	28.02.2019	29.05.2019	% (Q/Q-1)[3]	1,0	0,8	0,5	0,0	0,8	0,4
	28.02.2019	29.05.2019	% (Q/Q-4)	4,6	3,8	3,3	2,5	2,4	1,7
Private consumption, real	28.02.2019	29.05.2019	% (Q/Q-1)[3]	0,3	1,7	0,4	0,8	0,1	0,1
	28.02.2019	29.05.2019	% (Q/Q-4)	2,0	2,8	2,5	3,8	3,2	1,2
Government consumption, real	28.02.2019	29.05.2019	% (Q/Q-1)[3]	0,6	1,3	0,5	-1,3	3,0	-4,0
	28.02.2019	29.05.2019	% (Q/Q-4)	3,2	4,0	3,9	1,1	3,4	-2,0
Gross investment, real	28.02.2019	29.05.2019	% (Q/Q-1)[3]	2,6	1,1	-2,2	-1,7	7,3	-2,8
	28.02.2019	29.05.2019	% (Q/Q-4)	14,9	6,4	0,4	-1,5	5,5	0,1
Exports of goods and services, real	28.02.2019	29.05.2019	% (Q/Q-1)[3]	0,2	3,0	0,9	1,1	-0,5	-0,6
	28.02.2019	29.05.2019	% (Q/Q-4)	4,1	5,4	5,6	6,0	5,3	0,9
Imports of goods and services, real	28.02.2019	29.05.2019	% (Q/Q-1)[3]	-0,4	4,0	0,5	0,9	0,9	-2,8
	28.02.2019	29.05.2019	% (Q/Q-4)	4,5	5,4	4,7	5,9	7,4	-0,8

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
Trade balance[1]	13.02.2020	16.03.2020	EUR m	18,6	192,1	144,2	-50,0	:	:
Current account[1]	13.02.2020	16.03.2020	EUR m	206,8	402,1	327,3	125,7	:	:
Exports of goods, real[2]	07.02.2020	10.03.2020	% (M/M-1)[4]	0,2	0,1	1,5	-8,1	:	:
	07.02.2020	10.03.2020	% (M/M-12)	16,9	8,8	5,2	5,0	:	:
Imports of goods, real[2]	07.02.2020	10.03.2020	% (M/M-1)[4]	6,9	1,0	-5,6	4,6	:	:
	07.02.2020	10.03.2020	% (M/M-12)	19,1	11,9	4,0	12,9	:	:

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
	28.02.2020	31.03.2020	% (M/M-1)	-0,2	0,1	0,1	-0,2	-0,9	0,7
Inflation (CPI)	28.02.2020	31.03.2020	% (M/M-12)	1,7	1,4	1,4	1,8	2,1	2,0

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
Gross earnings per employee – nominal	17.02.2020	16.03.2020	% (M/M-1)	-0,8	1,7	9,0	-2,2	:	:
	17.02.2020	16.03.2020	% (M/M-12)	4,9	3,9	4,7	4,1	:	:
- private sector	17.02.2020	16.03.2020	% (M/M-1)	-1,4	2,5	11,2	-4,5	:	:
	17.02.2020	16.03.2020	% (M/M-12)	4,4	3,5	3,4	3,8	:	:
- public sector	17.02.2020	16.03.2020	% (M/M-1)	0,1	0,5	5,1	1,8	:	:
	17.02.2020	16.03.2020	% (M/M-12)	5,9	4,9	7,3	4,9	:	:
- of which government sector	17.02.2020	16.03.2020	% (M/M-1)	1,4	-0,2	2,6	1,9	:	:
	17.02.2020	16.03.2020	% (M/M-12)	6,2	6,5	8,5	7,5	:	:

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
Employed persons	18.02.2020	17.03.2020	% (M/M-1)4	0,1	0,1	0,1	0,8	:	:
	18.02.2020	17.03.2020	% (M/M-12)	2,4	2,2	2,0	2,0	:	:
Registered unemployed persons	05.02.2020	04.03.2020	% (M/M-1)4	-0,3	-0,1	-0,4	-0,2	0,2	:
	05.02.2020	04.03.2020	% (M/M-12)	-5,3	-5,0	-4,9	-4,1	-3,6	:
Registered unemployment rate	18.02.2020	17.03.2020	%	7,2	7,4	7,4	7,7	:	:

				2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Employment, LFS	28.02.2019	29.05.2019	% (Q/Q-1)[5]	0,3	0,3	0,5	-0,4	-1,1	0,6
	28.02.2019	29.05.2019	% (Q/Q-4)	1,7	1,2	1,5	0,7	-0,8	-0,4
ILO unemployment rate, LFS	28.02.2019	29.05.2019	%	5,0	4,4	4,8	4,2	4,8	4,0

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
Industrial producer prices, domestic market	24.02.2020	20.03.2020	% (M/M-1)	0,0	-0,4	0,1	0,1	0,1	:
	24.02.2020	20.03.2020	% (M/M-12)	2,1	1,9	2,0	2,1	1,9	:
Production volume in manufacturing, real	10.02.2020	10.03.2020	% (M/M-1)[3]	0,6	2,0	-1,1	-1,9	:	:
	10.02.2020	10.03.2020	% (M/M-12)	5,8	3,3	0,0	5,0	:	:
Construction, real value of construction output	14.02.2020	13.03.2020	% (M/M-1)[3]	-0,1	5,1	-1,0	-2,0	:	:
	14.02.2020	13.03.2020	% (M/M-12)	-7,2	-3,2	-8,7	2,9	:	:
Turnover in trade, real	27.02.2019	27.03.2020	% (M/M-1)3	1,5	-2,0	-0,6	0,3	:	:
	27.02.2019	27.03.2020	% (M/M-12)	5,2	-1,1	-2,9	-0,3	:	:
Nominal turnover in market services	26.02.2020	27.03.2020	% (M/M-1)3	-0,5	0,1	0,2	-0,2	:	:
	26.02.2020	27.03.2020	% (M/M-12)	5,6	2,9	1,6	3,3	:	:

				2013	2014	2015	2016	2017	2018
General government deficit/surplus (ESA 2010)	18.10.2019	31.03.2020	% BDP	-14,6	-5,5	-2,8	-1,9	0,0	0,8
Consolidated gross general government debt (ESA	18.10.2019	31.03.2020	% BDP	70,0	80,3	82,6	78,7	74,1	70,4

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
Economic sentiment indicator[5], seasonally adjusted	24.02.2020	25.03.2020	%[3]	4,7	4,1	2,3	3,0	4,0	5,1

				2019 m 9	2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2
EURIBOR, 3-month	Beginning of the month *		%	-0,418	-0,413	-0,401	-0,395	-0,391	-0,409
Long-term government bond yields	Beginning of the month		%	-0,03	0,05	0,14	0,21	0,23	0,04
Exchange rate, USD to EUR	Beginning of the month		US$	1,1004	1,1053	1,1051	1,1113	1,1100	1,0905

Source: SURS, BS, ECB, EUROSTAT, EURIBOR.org, calculations by IMAD.

Notes: [1]Balance of payments statistics of the BoS. [2]External trade statistics SURS. [3]Seasonally adjusted – SURS. [4]Seasonally adjusted – IMAD. [5]Difference between positive and negative answers, in %.

* calculations by IMAD.

For comparisons with the EU and EMU see: http://ec.europa.eu/eurostat/web/euro-indicators/peeis

EXTRA INFORMATION: phone: +386 1 478 10 04, 030 451 939, e-mail: polona.osrajnik@gov.si