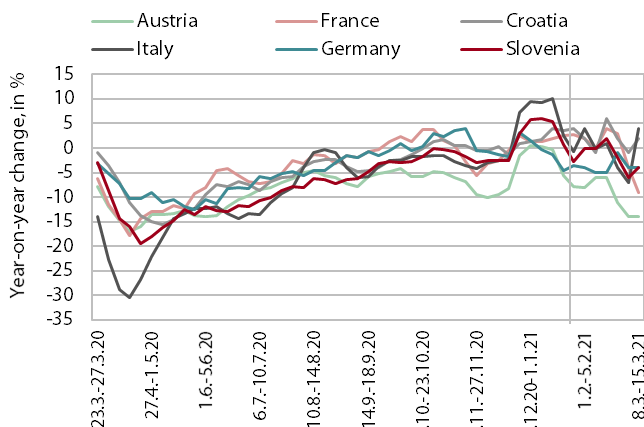


CURRENT ECONOMIC TRENDS

15–19 March 2021

The first wave of the epidemic, which started one year ago, had a significant impact on all economic activities. Since then businesses have partly adapted to the new situation. The containment measures during the second wave are focused mainly on service activities. During the second wave, activity in industry and construction remained fairly resilient, which is also corroborated by January's favourable data. Given the increased freight traffic on Slovenian motorways, favourable developments also continued in the middle of March. Slovenian industrial producer prices are rising, under the impact of relatively favourable industrial activity and hence higher prices of intermediate goods. Labour market conditions did not deteriorate much during the second wave of the epidemic. Unemployment growth in December and January did not deviate significantly from seasonal increases in the same period of previous years, while in February a seasonal decline in the number of unemployed was already observed, which strengthened slightly in March. At the beginning of the year, the number of employed persons was similar to that in the previous few months. Employment again fell most sharply in accommodation and food service activities, while it increased most in health and social work. The strong year-on-year growth of wages continued in January under a strong impact of crisis allowances in the public sector.

Electricity consumption, March 2021

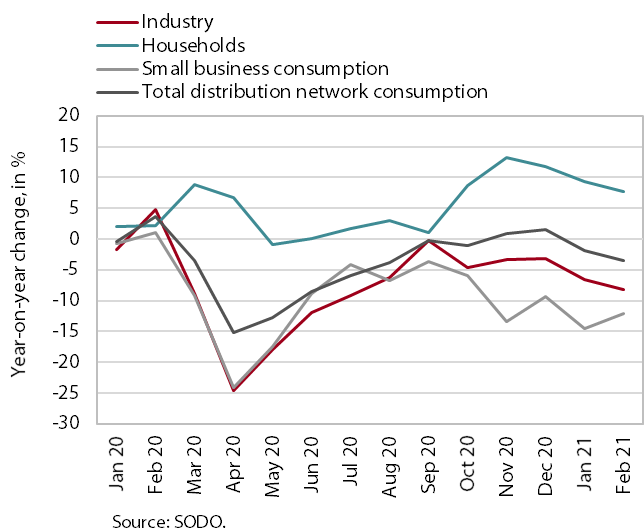


Source: ENTSO-E and Bruegel.org. Notes: Only consumption on working days (between 8.00 and 18.00) is taken into account. The percentages are adjusted for temperature differences. Up to the end of 2021, 4-week moving averages are shown.

The year-on-year decline in electricity consumption in the second week of March was somewhat smaller than a week earlier. After the year-on-year fall in consumption deepened to 6% at the beginning of March due to the renewed tightening of measures in the Obalno-kraška region, it decreased to 4% in the second week of March under the impact of the additional easing of measures in two regions¹ (opening of bar terraces and gardens). Among our main trading partners, the year-on-year fall in consumption remained largest in Austria (14%); in France it was 9% and in Germany 4%. In Italy, consumption was up 4% year on year, mainly due to last year's low consumption at the beginning of the full lockdown in the week of March 9 (in comparison with the second week of March 2019, it was 2% lower). In Croatia, electricity consumption was up 2% year on year.

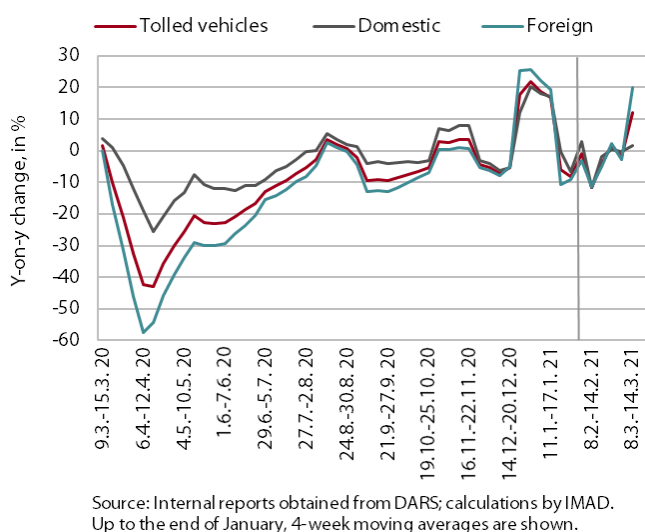
¹ The Posavska region and Jugovzhodna Slovenija.

Electricity consumption by consumption group, February 2021



In February, industrial electricity consumption declined slightly more year on year than in the previous months of the second wave of the epidemic; small business electricity consumption fell less. In February, industrial electricity consumption was by 8.1% lower year on year (in the last three months of 2020 as a whole, by 3.7%; in January this year, by 6.5%). The year-on-year fall in electricity consumption by small business consumers, which mainly include service activities and trade,² decreased slightly (12.1%) in February with the partial relaxation of measures, after amounting to around 14% in November and January when non-essential services and shops were closed.³ On the other hand, household electricity consumption was higher year on year (7.7%) in February, as people spent more time at home due to the epidemic, but the increase was smaller than at the peak of the second wave of the epidemic.

Traffic of electronically tolled vehicles on Slovenian motorways, March 2021



Freight traffic on Slovenian motorways⁴ in the second week of March was 12% higher than in the comparable week last year, when the first wave of the epidemic was declared. In the week between 8 and 14 March, domestic vehicle traffic was 2% higher and foreign vehicle traffic 20% higher year on year. The strong year-on-year growth is due not only to a significant increase⁵ in the volume of freight traffic in recent weeks, but also to the base effect, as in the same period last year, foreign vehicle traffic dropped significantly due to containment measures adopted at the beginning of the epidemic (domestic vehicle transport fell somewhat later). Freight traffic was around 6% higher relative to the comparable week in 2019.

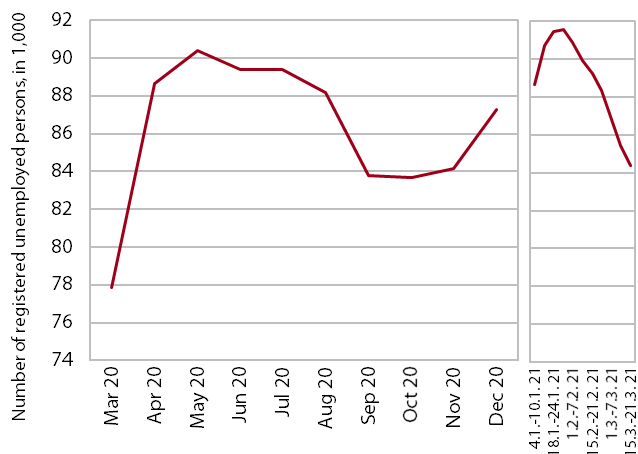
² In this consumption group, consumption is most frequently measured in service activities and shops. This group also includes warehouses, agricultural activity, etc., but also large manufacturing plants that do not consume significant amounts of electricity at some measuring places.

³ In December, the year-on-year decline was 9.4%, reflecting the easing of measures around the public holidays.

⁴ Measured in kilometres driven.

⁵ The volume of freight traffic exceeded 21 million kilometres driven again and was the second highest weekly volume since the beginning of the epidemic.

Labour market, December 2020 – March 2021

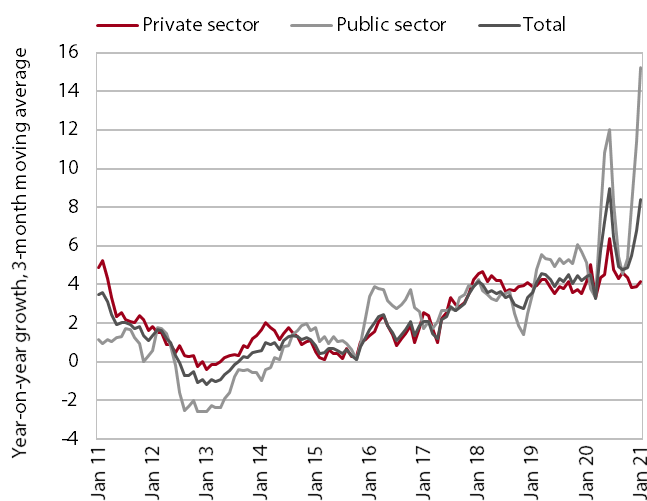


Source: ESS. Note: Left: official data at the end of the month; right: daily (unofficial) data.

The decline in the number of registered unemployed persons strengthened somewhat further in the first half of March. With intervention measures still in place, December's and January's growth did not deviate significantly from seasonal increases in the same period of previous years. At the end of January, it came to a halt, and in February, a seasonal fall in unemployment was already observed, which then strengthened somewhat in March. On 18 March, 83,940 persons were unemployed according to ESS unofficial (daily) data, which is 4.7% less than at the end of February and around 8% more than in the same period last year.

The number of employed persons was down 1.5% year on year in January, which is similar to previous months. Employment again fell most sharply in accommodation and food service activities and administrative and support service activities, which were hardest hit by the containment measures, while it increased most in health and social work.

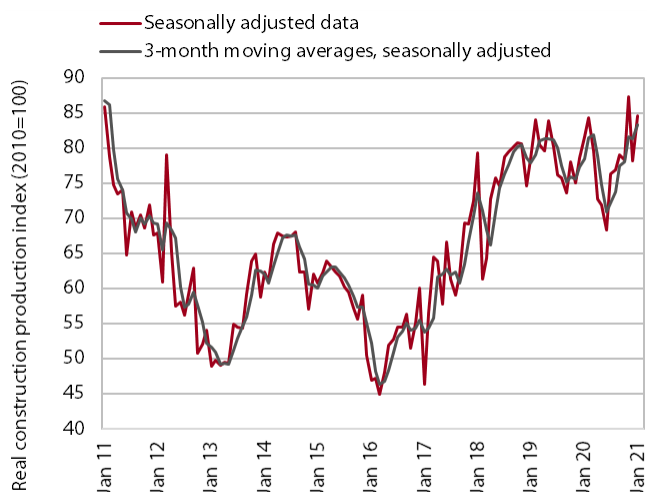
Wages, January 2021



Source: SURS; calculations by IMAD.

In January, year-on-year wage growth continued; it was still strongly influenced mainly by the payment of crisis allowances in the public sector. With the renewed payment of allowances (the extraordinary payment of allowances for hazardous working conditions and additional workloads and the payment of the bonus for work in crisis conditions in accordance with the collective agreement), year-on-year wage growth in the *public sector* increased again towards the end of last year and in January this year, the most by far in social work and health (in January, by 41.9%; in the total public sector, by 18.4%). In the *private sector*, wage growth did not strengthen in the second wave of the epidemic, with the exception of the increase in December (5.3%), which was mainly due to the crisis bonus. In January, wages were again somewhat lower year on year (-3.7%).

Construction, January 2021

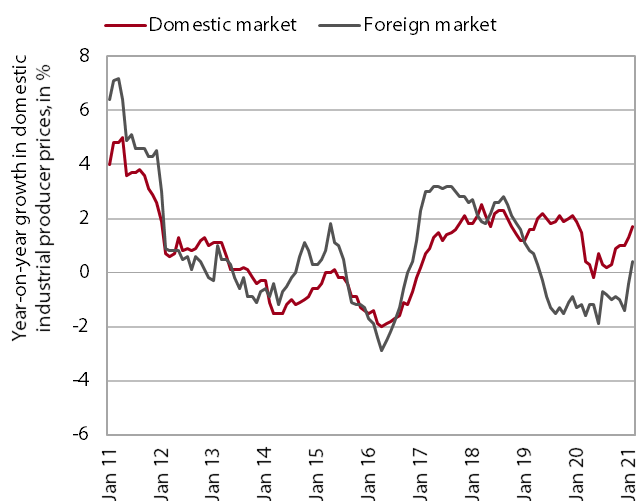


Source: SURS; calculations by IMAD.

Construction activity increased in January. The value of construction output was up 8.3% and was 4.2% higher than a year before. Compared with 2018 and 2019, in the last few months, activity was considerably higher in non-residential buildings, slightly higher in civil-engineering and at a similar level in specialised construction activities.

Data on the stock of contracts and new contracts in construction do not paint a uniform picture. The value of the stock of contracts, having already been slowly falling since mid-2020, declined sharply in January and was 15% lower year on year. On the other hand, the value of new contracts rose towards the end of 2020 and in January and was around a third higher year on year in the last three months.

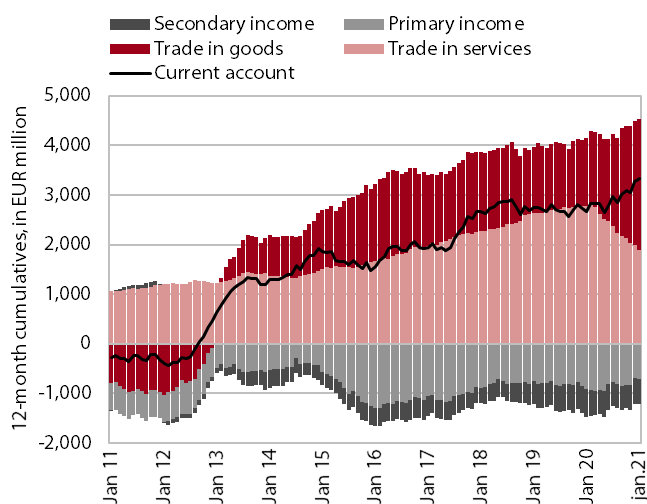
Slovenian industrial producer prices, February 2021



Source: SURS.

Slovenian industrial producer prices strengthened again in February and were 1% higher year on year. We estimate that, in addition to the relatively favourable activity in industry, their growth was also driven by higher prices of intermediate goods on international markets. Year-on-year growth in prices of industrial products sold on the *domestic market* thus increased further and was, at 1.7%, the highest since January 2020. Prices of capital and intermediate goods were rising the fastest (3.2% and 2.4% respectively). Year-on-year price growth on *foreign markets* was more modest (0.4%), mainly as a consequence of a more pronounced decline of prices in the previous year. Current growth in the first two months of this year was even somewhat higher than on the domestic market.

Current account of the balance of payments, January 2021



The current account surplus remained high and mostly reflected developments in goods and services trade. The year-on-year higher surplus, which amounted to EUR 3.3 billion in the last 12 months to January (6.9% of estimated GDP), was, amid the improved terms of trade, mainly attributable to a higher *surplus in goods trade*. The year-on-year increase in the current account surplus was also due to lower net outflows of primary and secondary income. Net outflows of *primary income* were down year on year owing to a smaller net outflow of income from equity capital of direct investment and higher subsidies from the EU budget for the implementation of the common agricultural and fisheries policy. The decline in net outflows of *secondary income* was largely a consequence of lower payments of current taxes on income and property and lower payments of social contributions abroad. The *surplus in services trade* declined further, largely due to a fall in the surplus in the travel segment, which was strongly affected by the epidemic.

Table: Selected macroeconomic indicators for Slovenia

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4
GDP, real	31.05.2021	% (Q/Q-4)	% (Q/Q-1) ³	0.6	1.1	-4.8	-10.1	12.2	-1.0
	31.05.2021	% (Q/Q-1)3	% (Q/Q-4)	3.1	2.0	-2.3	-12.9	-2.4	-4.5
Private consumption, real	31.05.2021	% (Q/Q-4)	% (Q/Q-1) ³	0.3	-0.1	-8.1	-10.3	20.1	-14.5
	31.05.2021	% (Q/Q-1)3	% (Q/Q-4)	5.8	2.2	-6.4	-17.3	-0.6	-14.5
Government consumption, real	31.05.2021	% (Q/Q-4)	% (Q/Q-1) ³	0.3	-1.0	4.4	-4.5	2.7	0.4
	31.05.2021	% (Q/Q-1)3	% (Q/Q-4)	2.5	-0.3	4.1	-1.1	1.3	2.8
Gross investment, real	31.05.2021	% (Q/Q-4)	% (Q/Q-1) ³	7.9	-9.9	0.8	-6.6	-0.9	13.9
	31.05.2021	% (Q/Q-1)3	% (Q/Q-4)	5.8	-1.3	-2.4	-10.1	-17.4	8.2
Exports of goods and services, real	31.05.2021	% (Q/Q-4)	% (Q/Q-1) ³	-1.0	-0.1	-1.5	-21.3	16.0	8.2
	31.05.2021	% (Q/Q-1)3	% (Q/Q-4)	4.9	1.1	-0.8	-23.4	-9.5	-0.4
Imports of goods and services, real	31.05.2021	% (Q/Q-4)	% (Q/Q-1) ³	-0.1	-2.6	-0.5	-21.4	13.6	7.7
	00.01.1900	00.01.1900	% (Q/Q-4)	7.6	-0.3	-1.9	-24.0	-12.5	-2.0
Trade balance¹	16.03.2021	13.04.2021	EUR m	2020 m 9	2020 m 10	2020 m 11	2020 m 12	2021 m 1	2021 m 2
	16.03.2021	13.04.2021	EUR m	281.3	300.2	217.7	86.0	281.4	:
Current account¹	16.03.2021	13.04.2021	EUR m	373.6	459.6	264.7	184.8	289.7	:
	12.03.2021	09.04.2021	% (M/M-1) ⁴	2.3	3.9	-1.1	0.2	3.5	:
Exports of goods, real²	12.03.2021	09.04.2021	% (M/M-12)	0.7	3.2	1.9	8.6	-2.4	:
	12.03.2021	09.04.2021	% (M/M-1) ⁴	-8.4	7.3	13.9	-9.1	-3.5	:
Imports of goods, real²	12.03.2021	09.04.2021	% (M/M-12)	-7.9	-3.8	17.5	4.9	-7.8	:
	26.02.2021	31.03.2021	% (M/M-1)	-0.4	0.3	-0.8	-0.3	-0.4	0.3
Inflation (CPI)	26.02.2021	31.03.2021	% (M/M-12)	-0.3	-0.1	-0.9	-1.1	-0.7	-1.0
	15.03.2021	15.04.2021	% (M/M-1)	-0.7	1.2	11.4	-0.4	-2.2	:
Gross earnings per employee – nominal	15.03.2021	15.04.2021	% (M/M-12)	5.1	4.6	6.9	8.9	9.4	:
- private sector	15.03.2021	15.04.2021	% (M/M-1)	-1.3	0.3	12.0	-2.9	-3.6	:
	15.03.2021	15.04.2021	% (M/M-12)	5.2	2.9	3.5	5.3	3.7	:
- public sector	15.03.2021	15.04.2021	% (M/M-1)	0.3	2.9	10.5	3.7	-0.4	:
	15.03.2021	15.04.2021	% (M/M-12)	4.5	7.1	12.6	14.6	18.4	:
- of which government sector	15.03.2021	15.04.2021	% (M/M-1)	0.9	3.3	9.4	4.5	2.5	:
	15.03.2021	15.04.2021	% (M/M-12)	5.3	9.1	16.3	19.3	22.9	:
	16.03.2021	16.04.2021	% (M/M-1) ⁴	0.0	0.0	-0.1	0.0	-0.1	:
Employed persons	16.03.2021	16.04.2021	% (M/M-12)	-1.4	-1.4	-1.6	-1.4	-1.5	:
Registered unemployed persons	03.03.2021	06.04.2021	% (M/M-1) ⁴	-1.9	-2.4	-0.2	-0.6	-0.9	-1.3
	03.03.2021	06.04.2021	% (M/M-12)	20.0	15.5	16.2	15.9	14.6	13.6
Registered unemployment rate	16.03.2021	16.04.2021	%	8.6	8.6	8.6	8.9	9.4	:
	26.02.2021	31.05.2021	% (Q/Q-1) ⁵	-1.3	0.3	0.9	-2.1	0.7	0.9
Employment, LFS	26.02.2021	31.05.2021	% (Q/Q-4)	-0.8	-0.4	0.4	-2.3	-0.3	0.4
ILO unemployment rate, LFS	26.02.2021	31.05.2021	%	4.8	4.0	4.6	5.2	5.1	5.1
	19.03.2021	21.04.2021	% (M/M-1)	0.1	0.3	0.2	0.0	0.5	0.7
Industrial producer prices, domestic market	19.03.2021	21.04.2021	% (M/M-12)	0.3	0.9	1.0	1.0	1.3	1.7
	10.03.2021	09.04.2021	% (M/M-1)3	0.2	3.1	-0.2	0.1	2.0	:
Production volume in manufacturing, real	10.03.2021	09.04.2021	% (M/M-12)	0.0	-1.2	2.2	5.3	-1.6	:
	15.03.2021	15.04.2021	% (M/M-1)3	2.8	-0.8	11.4	-10.5	8.4	:
Construction, real value of construction output	15.03.2021	15.04.2021	% (M/M-12)	7.1	0.3	17.3	-0.8	4.2	:
	26.02.2021	29.03.2021	% (M/M-1)3	-1.1	-1.7	-2.6	-0.8	:	:
Turnover in trade, real	26.02.2021	29.03.2021	% (M/M-12)	-2.4	-7.1	-9.4	-5.6	:	:
	26.02.2021	29.03.2021	% (M/M-1)3	3.2	-0.8	1.1	-1.8	:	:
Nominal turnover in market services	26.02.2021	29.03.2021	% (M/M-12)	-4.8	-8.2	-6.5	-9.3	:	:
	19.10.2020	31.03.2021	% BDP	2014	2015	2016	2017	2018	2019
General government deficit/surplus (ESA 2010)	19.10.2020	31.03.2021	% BDP	-5.5	-2.8	-1.9	-0.1	0.7	0.5
Consolidated gross general government debt (ESA)	19.10.2020	31.03.2021	% BDP	80.3	82.6	78.5	74.1	70.3	65.6
	24.02.2021	24.03.2021	% ³	2020 m 9	2020 m 10	2020 m 11	2020 m 12	2021 m 1	2021 m 2
Economic sentiment indicator⁵, seasonally adjusted	24.02.2021	24.03.2021	% ³	-3.8	-6.2	-13.2	-9.2	-6.9	-3.6
	Beginning of the month *	%	2020 m 9	2020 m 10	2020 m 11	2020 m 12	2021 m 1	2021 m 2	
EURIBOR, 3-month	Beginning of the month *	%	-0.4910	-0.5091	-0.5209	-0.5381	-0.5472	-0.5417	
Long-term government bond yields	Beginning of the month	%	0.0500	-0.0760	-0.1380	-0.1500	-0.1000	0.0400	
Exchange rate, USD to EUR	Beginning of the month	US\$	1.1792	1.1775	1.1838	1.2170	1.2171	1.2098	

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>

The table format accessible to screen reader users can be found on the IMAD website among the appendices to the current graphs of the week (Selected macroeconomic indicators for euro area)

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