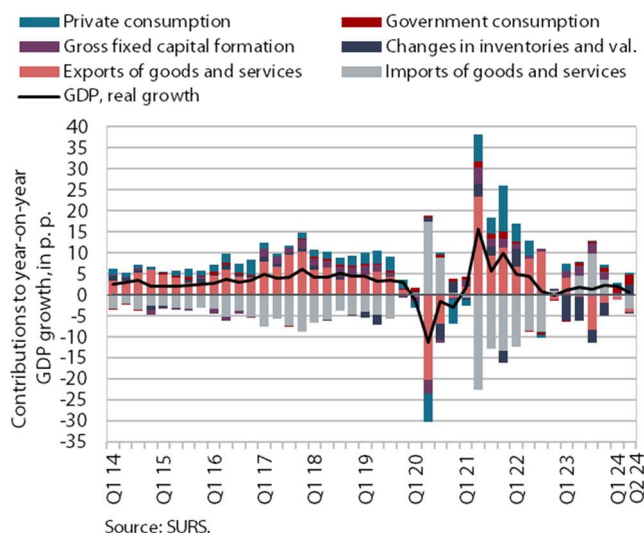


CHARTS OF THE WEEK

22 July–16 August 2024

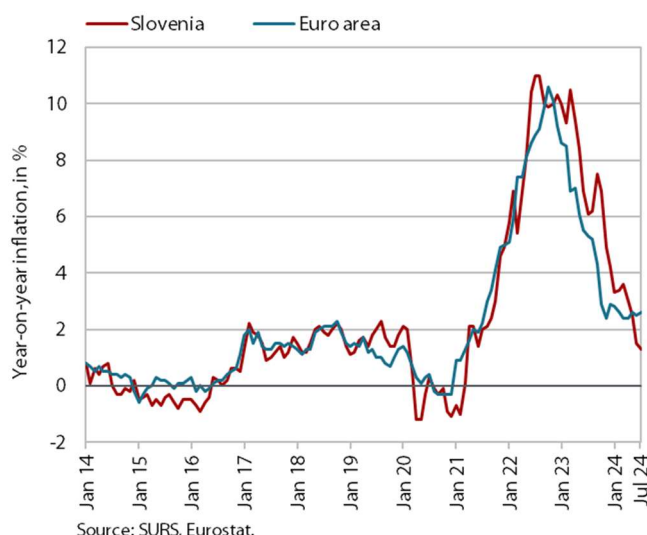
GDP grew only slightly in the second quarter, rising by 0.7% year-on-year, indicating a significant slowdown in year-on-year growth. Year-on-year price growth weakened further in July (to 1.3%), with goods prices lower than a year ago. With two more working days, electricity consumption and the nominal value of fiscally verified invoices increased year-on-year. The number of unemployed continued to fall. At the end of July, 44,384 persons were registered as unemployed, a decrease of 6.1% compared to the same period last year. In May, the average gross wage in the private sector rose year-on-year in real terms (5.5%), while it fell in the public sector (-0.3%), largely due to last year's high base. Amid a quarter-on-quarter decline, real exports of goods was only slightly higher than a year earlier, while manufacturing output fell slightly year-on-year. In the second quarter, the current account surplus narrowed due to a lower goods trade balance. Turnover in trade and market services fell month-on-month in May, while it was higher in the first five months of the year than a year earlier. Preliminary June data for retail trade and the sales of motor vehicles indicate a year-on-year decline, partly due to the impact of working days. Construction activity, which has been gradually declining since the beginning of last year, was around a fifth lower year-on-year in June. The confidence indicator in construction remained lower year-on-year in July, whereas it was higher year-on-year in other activities.

GDP, Q2 2024



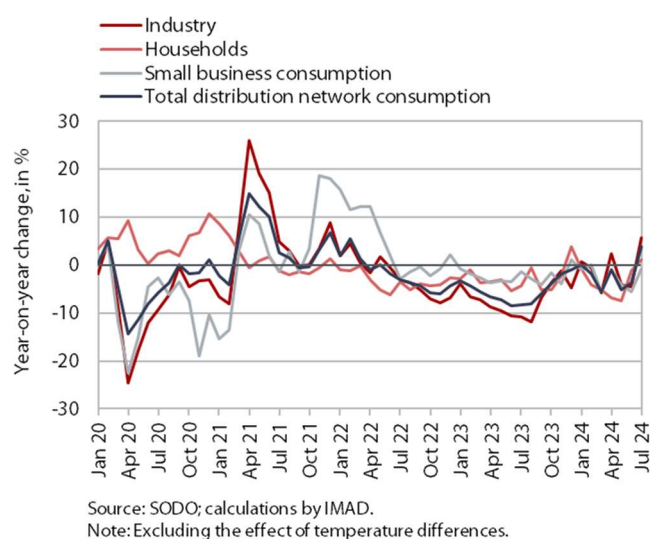
In the second quarter of this year, year-on-year economic growth slowed considerably. In the second quarter, GDP rose by 0.2% quarter-on-quarter (seasonally adjusted) and by 0.7% year-on-year (not seasonally adjusted). The slowdown in year-on-year growth compared to the first quarter was mainly driven by weaker private consumption growth (1.1%) and a decline in fixed capital formation (-1.6%). Year-on-year growth in government consumption continued to increase (12.3%). Inventories rose sharply (contributing 2.4 p.p. to GDP growth). Imports increased (by 4.4%), while exports remained lower year-on-year (-0.8%), leading to a significant negative contribution of the external trade balance to GDP growth (-4.1 p.p.).

Consumer prices, July 2024



Year-on-year price growth continued to moderate in July (1.3%). This was due to a year-on-year decrease in goods prices (-0.3%). July saw a slightly more pronounced seasonal drop in clothing and footwear prices, which also fell year-on-year for the first time since October 2021. This contributed to the year-on-year decline in the prices of semi-durable goods (-1.7%). Prices of durable goods also remained lower year-on-year (-1.2%). The growth of food prices has strengthened in recent months due to a lower last year's base and a less pronounced seasonal decline in fruit prices, but at 1%, it remained modest. The growth in service prices has remained slightly above 4% since the second quarter. In our assessment, this is related to the labour shortage in certain service activities, which is putting pressure on wage growth. Given the solid demand, this is largely being passed on to final prices. The highest price growth was still recorded in the restaurants and hotels group (6.1%), with no signs of moderation yet, with prices in education also rising at a similar rate (5.9%).

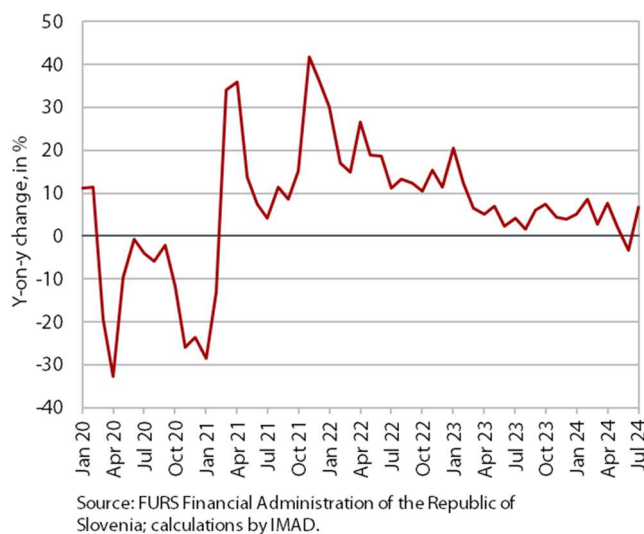
Electricity consumption by consumption group, July 2024



Electricity consumption in the distribution network in July was higher year-on-year, partly due to more working days. With two more working days this July, industrial consumption was 5.8% higher year-on-year, while small business consumption¹ was similar to a year ago. Household consumption was 1.2% higher year-on-year in July.

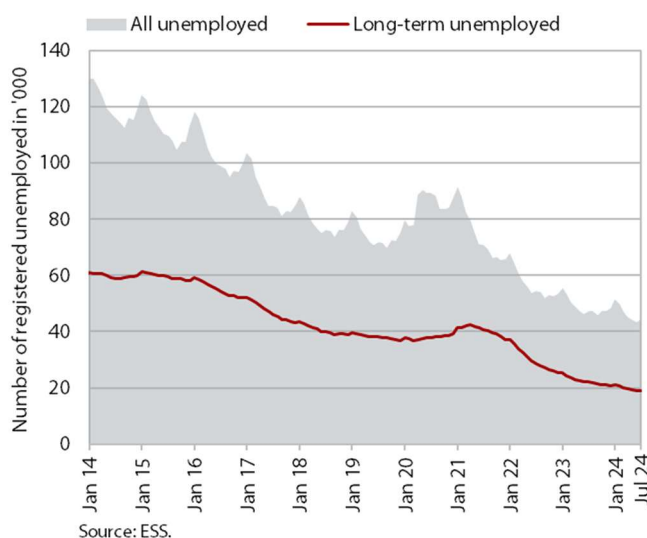
¹ In this consumption group, consumption is most frequently measured in shops and service activities. This group also includes warehouses, agricultural activity, etc. and large manufacturing plants that do not consume significant amounts of electricity at some measurement points.

Value of fiscally verified invoices, in nominal terms, July 2024



In July, which had two more working days than the same month last year, the nominal value of fiscally verified invoices was 7% higher year-on-year. The year-on-year growth in total turnover, influenced in recent months by the different number of working days compared to last year,² was primarily driven by a 7% year-on-year increase in turnover in trade, which accounted for three-quarters of the total value of fiscally verified invoices. Turnover in the sales of motor vehicles increased by 16% year-on-year and turnover in retail trade by 8%, while turnover in wholesale trade remained lower. Year-on-year turnover growth in accommodation and food service activities was similar to that recorded in June (4%), while turnover in other services³ (e.g. creative, arts, entertainment, and sports services, and betting and gambling) rose from 2% to 11%, similar to the trend observed in the months before June.

Unemployment, July 2024

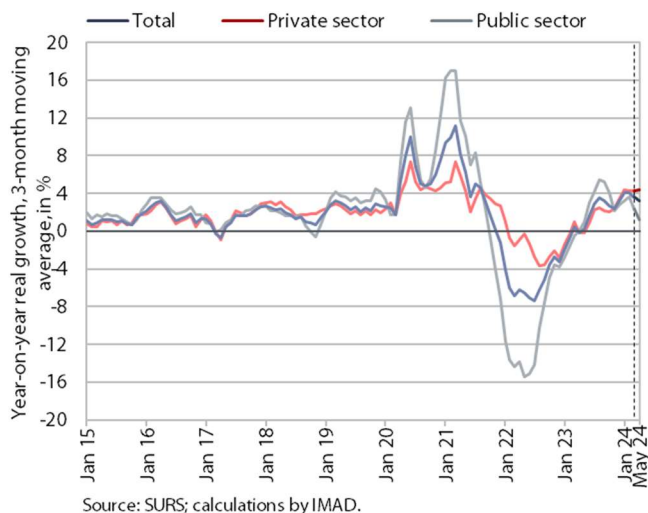


The slight downward trend in the number of registered unemployed continued in July (a decrease of 0.4% according to seasonally adjusted data). According to original data, 44,384 people were unemployed at the end of July, 2.3% more than at the end of June. This largely reflects seasonal trends related to a higher inflow into unemployment due to expiry of fixed-term employment contracts. Unemployment was down 6.1% year-on-year in July. Amid labour shortages, the number of long-term unemployed (more than one year) and the number of unemployed over 50 fell year-on-year at the end of July, by 14.1% and 9.9% respectively. In the first seven months, just over 1% of the unemployed moved to inactivity or retirement each month, similar to previous years, which also contributed to the decline in unemployment.

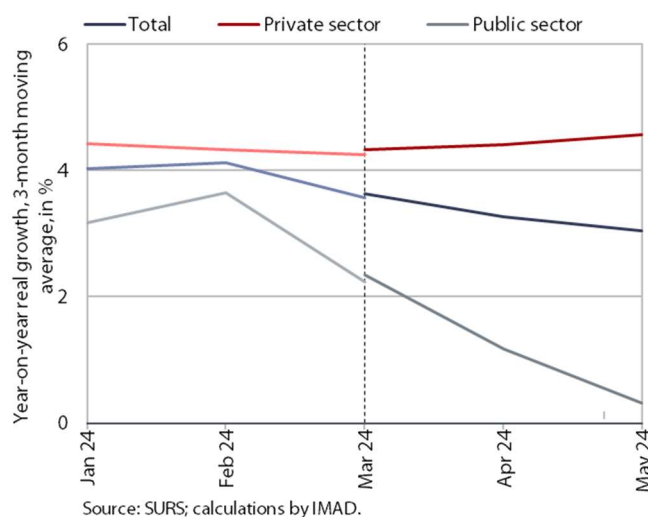
² This June had three fewer working days compared to last June, while April had three more working days compared to the same month last year.

³ Activities R, S and T according to NACE classification.

Average gross wage per employee, May 2024

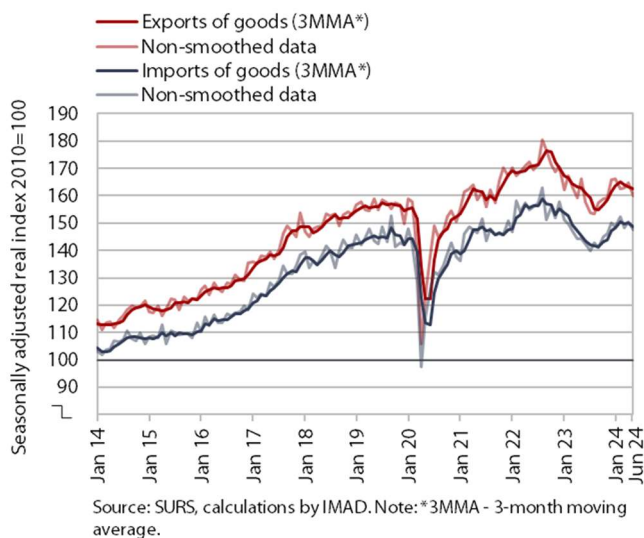


Since April, calculation of data on earnings uses a new data source;⁴ the year-on-year real growth in the average gross wage was the same (3.4%) as in April. Growth in the private sector remained relatively high (5.5%). The highest growth was recorded in construction and administrative and support service activities. In the public sector, the average gross wage fell by 0.3% year-on-year in real terms, which is linked to last year's high base (wage increase in April 2023). In the first five months, overall average gross wage increased by 6.8% year-on-year in nominal terms – by 8.1% in the public sector and by 4.3% in the private sector.



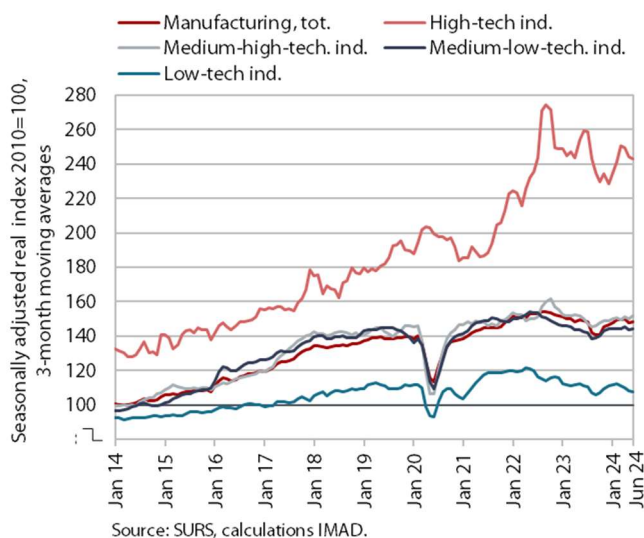
⁴ Since April, SURS uses data from the REK-O form, which differs from the old ZAP/M form by the different reporting of extraordinary and overdue payments. The monthly gross wage differences between the two sources are between -2.2% and +2.0%, with the exception of December 2023, where the data from the new source was 14.9% higher. Consequently, growth rates also differ slightly.

Exports and imports of goods, June 2024



Trade in goods decreased month-on-month in the second quarter (seasonally adjusted) but was higher than a year ago.⁵ Real exports of goods fell by 1% compared to the previous quarter, largely due to lower exports to some of Slovenia's main EU partners (Germany, Austria, Italy) and to non-EU countries. Exports of intermediate goods, which account for around half of goods exports, fell month-on-month. The 0.7% quarter-on-quarter decline in imports of goods in the first quarter was mainly due to lower imports of consumer goods, while imports of intermediate and capital goods increased (seasonally adjusted). Compared to the same period last year, exports and imports of goods were higher in the second quarter of this year (by 0.6% and 3.5% respectively), particularly in trade with EU countries. Sentiment in export-oriented activities remained low at the beginning of the third quarter. Companies again indicated that the main limiting factors to business operations in the third quarter were the uncertain economic situation, low domestic and foreign demand and the lack of skilled labour.

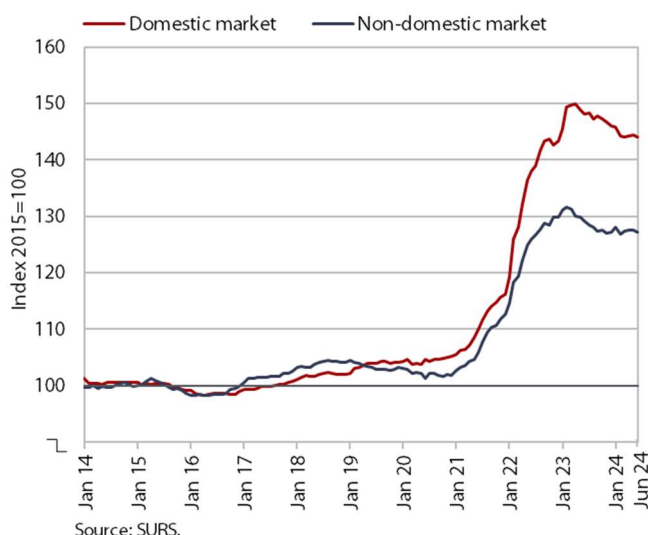
Production volume in manufacturing, June 2024



Despite an increase in June, manufacturing output contracted quarter-on-quarter in the second quarter (seasonally adjusted) and was also down year-on-year (by 0.5%, working day adjusted). Following a decline in May, production rose in June in all industry groups according to technology intensity, with only medium-high-technology industries recording an increase compared to the first quarter. Production remained largely unchanged in the medium-low-technology industries and declined in the low- and high-technology industries (with strong monthly fluctuations). In both industries, it was lower year-on-year in both the second quarter and in the first half of the year. After a sharp decline last year, production rose in the paper and printing industry and in other manufacturing. In the medium-technology industries, however, production in the first half of the year was on average largely unchanged year-on-year. Output declined only in the manufacture of machinery and equipment n.e.c. (following robust growth in the previous year), repair and installation of machinery and equipment and energy-intensive manufacture of other non-metallic mineral products. On average, production in manufacturing in the first half of the year was similar to a year ago (0.2% lower, working day adjusted).

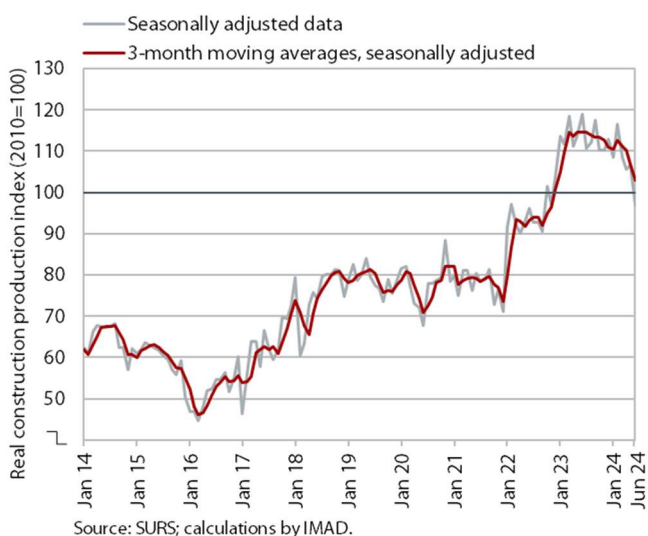
⁵ According to the external trade statistics by SURS. Deflation and seasonal adjustment by IMAD. Total exports and imports adjusted for the estimate of goods processing in connection with the trade in pharmaceutical products with Switzerland.

Slovenian industrial producer prices, June 2024



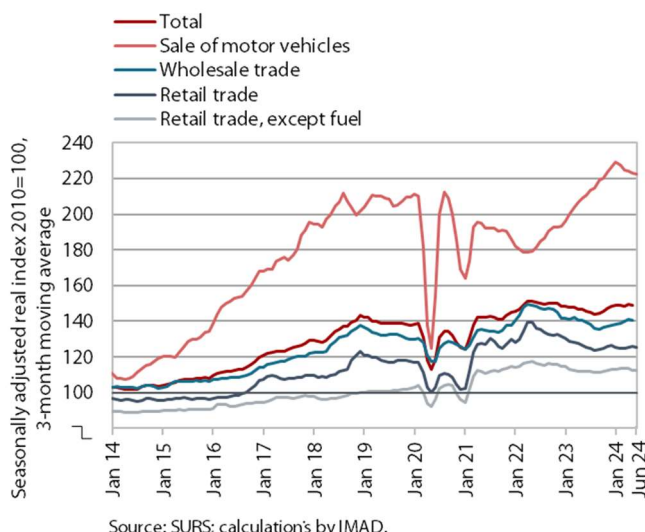
Slovenian industrial producer prices fell slightly month-on-month in June, with the year-on-year decline slowing further (-2.1%). The monthly decline was mainly due to a 0.9% fall in prices of raw materials, since prices of other product groups rose slightly, most notably energy products (by 2%). On a year-on-year basis, the largest contributors to the overall decline were the significant drops in raw material prices (-4.2%) and energy prices, which fell by approximately 10%. In contrast, prices of capital goods and consumer goods strengthened slightly (by 1.0% and 1.7% respectively). Slovenian industrial producer prices fell by 2.7% year-on-year on the domestic market, while the decline on foreign markets was approximately half as large.

Activity in construction, June 2024



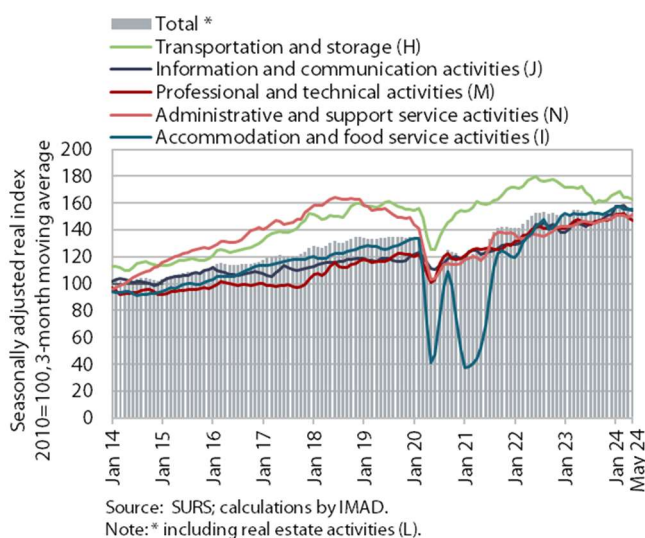
According to data on the value of construction work put in place, construction activity decreased in June and was also significantly lower than in the same month last year. After experiencing robust growth at the beginning of last year, the value of construction work put in place gradually declined both last year and in the first half of this year, with monthly fluctuations. In June, construction activity was 19% lower compared to the same month last year. The most significant year-on-year decline was recorded in the construction of buildings (by 24%). Activity also decreased in civil engineering and specialised construction activities. This lower activity was (among others) related to government investment activity. While capital expenditure (according to the consolidated general government budgetary accounts) remained nearly unchanged in the first half of the year compared to the same period last year (-1%), within this category, expenditure on new construction, reconstruction, and renovation dropped by as much as 24%.

Turnover in trade, May–June 2024



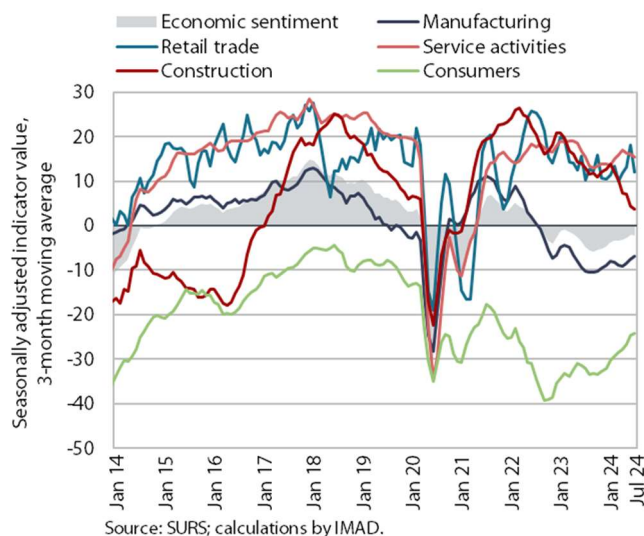
Real turnover in most trade sectors fell markedly in May after rising in previous months. Year-on-year increases were recorded only in retail sales of food products and sales of motor vehicles. In these two sectors, turnover was also higher year-on-year in the first five months of the year (by 3% and 9% respectively). Turnovers in wholesale trade and retail sales of non-food products were similar to the same period last year, while turnover in retail sale of automotive fuel was 8% lower. According to preliminary SURS data, turnover in June, which had three fewer working days than the same month last year, was lower year-on-year in all sectors.

Turnover in market services, May 2024



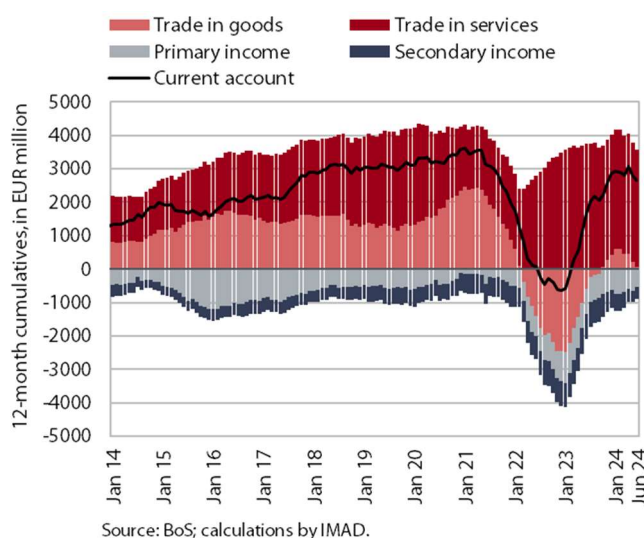
Total real turnover in market services declined further in May, although it remained basically unchanged year-on-year (a slight increase of 0.2%). After experiencing growth in the first quarter, turnover began to decline at the start of the second quarter, falling by 1.6% month-on-month in May. The downturn continued in professional and technical activities, with a persistent negative trend in architectural and engineering services since early spring this year. In information and communication, the decline in turnover was somewhat smaller compared to previous high growth, due to a decrease in both of the two most important activities (telecommunications and computer services). Turnover in other market activities increased, particularly in administrative and support service activities, with employment services again showing strong growth. For the first time this year, turnover in accommodation and food service activities rose month-on-month. Transportation and storage continued to see modest growth. The overall decline in turnover was also mitigated by turnover growth in real estate activities. In the first five months, a year-on-year decrease in real turnover was only observed in transportation and storage.

Economic sentiment, July 2024



Economic sentiment indicator deteriorated slightly in July, while it remained higher year-on-year. The monthly decline in the sentiment indicator was mainly influenced by a fall in the confidence indicator in retail trade, a slight fall in confidence among consumers and again a fall in construction. Sentiment indicators in manufacturing and services improved. Compared to the previous July, the value of the sentiment indicator remained lower in construction, while it was higher or largely unchanged in other services and among consumers.

Current account of the balance of payments, June 2024



In the second quarter of this year, the current account surplus narrowed year-on-year. This was primarily due to changes in the goods trade balance. Exports of goods in the second quarter was slightly lower year-on-year, while imports of goods was higher. The terms of trade have improved. We estimate that quantity fluctuations contributed EUR 528 million to the year-on-year change in the balance of goods trade in the second quarter (EUR 390 million), while the effect of terms of trade was positive, amounting to EUR 138 million. The surplus in trade in services was lower year-on-year, mainly due to a lower surplus in trade in construction and telecommunications, computer and information services. Net outflows of primary and secondary income were lower year-on-year. The primary income deficit decreased mainly due to higher subsidies from the EU budget. The lower secondary income deficit arose from higher government and private sector transfers from abroad. The 12-month current account balance showed a surplus of EUR 2.7 billion in June (4.0% of estimated GDP for 2024).

Table: Selected macroeconomic indicators for Slovenia

The table format accessible to screen reader users can be found on the IMAD website among the appendices to the current charts of the week.

Selected macroeconomic Indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2
GDP, real	14/08/2024	14/11/2024	% (Q/Q-1) ³	0.6	1.1	-0.1	0.8	-0.1	0.2
	14/08/2024	14/11/2024	% (Q/Q-4)	1.1	1.7	1.3	2.2	2.1	0.7
Private consumption, real	14/08/2024	14/11/2024	% (Q/Q-1) ³	0.8	-0.2	0.3	0.4	0.4	0.0
	14/08/2024	14/11/2024	% (Q/Q-4)	3.4	0.4	0.3	1.2	1.9	1.1
Government consumption, real	14/08/2024	14/11/2024	% (Q/Q-1) ³	0.6	1.3	0.9	2.0	2.0	6.8
	14/08/2024	14/11/2024	% (Q/Q-4)	-1.0	3.2	2.4	4.8	7.0	12.3
Gross investment, real	14/08/2024	14/11/2024	% (Q/Q-1) ³	-3.4	-6.6	4.0	2.0	3.6	0.2
	14/08/2024	14/11/2024	% (Q/Q-4)	-16.0	-13.9	-3.9	-4.2	2.7	10.2
Exports of goods and services, real	14/08/2024	14/11/2024	% (Q/Q-1) ³	0.7	-0.4	-2.4	0.6	2.2	-1.2
	14/08/2024	14/11/2024	% (Q/Q-4)	4.0	-0.4	-8.6	-2.3	-0.8	-0.8
Imports of goods and services, real	14/08/2024	14/11/2024	% (Q/Q-1) ³	-0.7	-2.4	-2.7	2.8	4.7	-0.4
	14/08/2024	14/11/2024	% (Q/Q-4)	-0.4	-5.0	-10.6	-4.0	0.5	4.4
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
Trade balance¹	13/08/2024	13/09/2024	EUR m	-56.7	58.6	32.4	-8.9	51.6	:
Current account¹	13/08/2024	13/09/2024	EUR m	132.0	303.8	387.2	256.9	248.7	:
Exports of goods, real²	02/08/2024	04/09/2024	% (M/M-1) ⁴	-2.2	0.2	1.0	-2.7	1.2	:
	02/08/2024	04/09/2024	% (M/M-12)	2.0	-6.3	13.7	-3.7	-6.6	:
Imports of goods, real²	02/08/2024	04/09/2024	% (M/M-1) ⁴	3.1	-3.4	1.4	-1.9	0.6	:
	02/08/2024	04/09/2024	% (M/M-12)	3.9	-5.4	14.3	2.1	-4.9	:
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
Inflation (CPI)	31/07/2024	30/08/2024	% (M/M-1)	0.8	0.2	1.0	0.5	0.4	-0.1
	31/07/2024	30/08/2024	% (M/M-12)	3.4	3.6	3.0	2.5	1.5	1.3
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
Gross earnings per employee – real	22/07/2024	22/08/2024	% (M/M-1)	-1.9	1.2	0.3	-0.6	:	:
	22/07/2024	22/08/2024	% (M/M-12)	4.1	2.3	3.4	3.4	:	:
- private sector	22/07/2024	22/08/2024	% (M/M-1)	-1.2	1.3	0.3	-0.4	:	:
	22/07/2024	22/08/2024	% (M/M-12)	5.0	2.5	5.7	5.5	:	:
- public sector	22/07/2024	22/08/2024	% (M/M-1)	-3.4	1.2	0.5	-1.0	:	:
	22/07/2024	22/08/2024	% (M/M-12)	2.3	2.0	-0.8	-0.3	:	:
- of which government sector	22/07/2024	22/08/2024	% (M/M-1)	-3.0	1.3	0.2	-1.3	:	:
	22/07/2024	22/08/2024	% (M/M-12)	1.7	2.4	-1.7	-1.2	:	:
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
Employed persons	16/07/2024	19/08/2024	% (M/M-1) ⁴	0.1	0.1	0.1	0.0	:	:
	16/07/2024	19/08/2024	% (M/M-12)	1.4	1.4	1.4	1.3	:	:
Registered unemployed persons	05/08/2024	04/09/2024	% (M/M-1) ⁴	-1.0	-0.8	-1.0	-0.6	-0.3	-0.4
	05/08/2024	04/09/2024	% (M/M-12)	-6.9	-6.9	-7.0	-6.6	-6.1	-6.1
Registered unemployment rate	16/07/2024	19/08/2024	%	5.0	4.7	4.6	4.4	:	:
				2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Employment, LFS	27/05/2024	26/08/2024	% (Q/Q-1) ⁵	-0.5	-0.3	1.4	-0.9	1.4	1.3
	27/05/2024	26/08/2024	% (Q/Q-4)	0.1	0.8	0.9	0.4	1.5	3.2
ILO unemployment rate, LFS	27/05/2024	26/08/2024	%	3.5	3.8	3.6	3.9	3.4	3.4
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
Industrial producer prices, domestic market	19/07/2024	21/08/2024	% (M/M-1)	-1.1	-0.1	0.1	0.1	-0.2	:
	19/07/2024	21/08/2024	% (M/M-12)	-3.4	-3.7	-3.8	-3.0	-2.7	:
Production volume in manufacturing, real	13/08/2024	10/09/2024	% (M/M-1) ³	2.4	-2.3	0.8	-2.9	3.1	:
	13/08/2024	10/09/2024	% (M/M-12)	3.0	-7.1	13.0	-4.7	-8.8	:
Construction, real value of construction output	15/07/2024	14/08/2024	% (M/M-1) ³	7.5	-7.0	-2.5	0.7	-9.1	:
	15/07/2024	14/08/2024	% (M/M-12)	5.3	-8.1	-5.0	-6.3	-19.0	:
Turnover in trade, real	29/07/2024	28/08/2024	% (M/M-1) ³	-0.4	-0.1	2.1	-2.6	:	:
	29/07/2024	28/08/2024	% (M/M-12)	4.9	-3.8	10.6	-1.2	:	:
Real turnover in market services	31/07/2024	29/08/2024	% (M/M-1) ³	-2.4	1.0	-0.4	-1.6	:	:
	31/07/2024	29/08/2024	% (M/M-12)	1.4	-2.9	7.1	0.2	:	:
				2018	2019	2020	2021	2022	2023
General government deficit/surplus (ESA 2010)	29/03/2024	30/09/2024	% BDP	0.7	0.7	-7.6	-4.6	-3.0	-2.5
Consolidated gross general government debt (ESA)	29/03/2024	30/09/2024	% BDP	70.3	65.4	79.6	74.4	72.3	69.2
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
Economic sentiment indicator⁷, seasonally adjusted	25/07/2024	26/08/2024	% ³	-3.2	-4.1	-2.0	-2.2	-1.9	-2.4
				2024 m 2	2024 m 3	2024 m 4	2024 m 5	2024 m 6	2024 m 7
EURIBOR, 3-month	Beginning of the month *		%	3.923	3.922	3.886	3.814	3.725	3.685
Long-term government bond yields	Beginning of the month		%	3.23	3.18	3.23	3.28	3.33	3.22
Exchange rate, USD to EUR	Beginning of the month		US\$	1.080	1.087	1.073	1.081	1.076	1.084

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

Notes: ¹Balance of payments statistics of the BoS. ²External trade statistics SURS. Deflation by IMAD. Exports and imports are adjusted for the estimate of goods processing in connection with the trade in pharmaceutical products with Switzerland. ³Seasonally adjusted – SURS. ⁴Seasonally adjusted – IMAD. ⁵Difference between positive and negative answers, in %. ⁶calculations by IMAD.

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