Autumn Forecast of Economic Trends 2026

Summary

Economic growth will be considerably higher this year (3.8%) than last year (1.5%), with the broad-based strengthening of economic activity also significantly exceeding our spring expectations (2.0%). The acceleration, which was particularly pronounced in the first half of the year, reflects a combination of several factors: a strong recovery in exports, further supported by the launch of new production capacities in the pharmaceutical and automotive industries; the completion of major investment projects; and continued growth in household disposable income and consumption. The broad-based strengthening of economic activity also points to the economy's resilience and adaptability amid heightened economic and geopolitical uncertainty in the international environment. Some factors, particularly the acceleration in investment associated with the completion of major investment projects, are one-off, and their impact will therefore gradually fade. Total exports will increase by 5.3% this year, supported by improved export performance and new production capacities in the domestic pharmaceutical and automotive industries. Growth in manufacturing will therefore be concentrated largely in more technology- and investment-intensive segments, while other industries will make more modest contributions to growth. High energy and labour costs remain a major constraint, weighing on corporate profitability. The restructuring of automotive suppliers continues, posing short-term adjustment challenges while creating opportunities for integration into new value chains over the longer term. The strongest impetus to economic growth in 2026 comes from investment, which is expected to grow by 9.5%. This strong growth reflects the simultaneous completion of projects under the Recovery and Resilience Plan (RRP) and the second railway track project, municipal investment ahead of local elections, and private investment in manufacturing and services. It thus reflects a combination of a strong public investment cycle and an expansion of private-sector production capacities. Domestic demand will also be supported by private consumption, which is projected to increase by 2.9% this year. It is underpinned by high employment, faster wage growth and improved consumer confidence. The composition of household spending points in particular to increased purchases of cars, other non-food goods and tourism services. Despite favourable income developments, the household propensity to save remains high. Growth in overall spending, together with a continued increase in inbound tourism, is supporting trade, accommodation and food service activities, as well as other leisure and personal services. Government consumption is projected to increase by 4.7% this year. The acceleration in growth will be driven mainly by the full implementation of the new long-term care system, particularly the financing of institutional care from public funds, which will shift part of consumption expenditure from private to government consumption. In addition, employment in the general government sector is increasing, most significantly in health and social work.

As the effects of one-off factors gradually fade, economic growth is projected to moderate over the next two years, to 2.5% in 2027 and 2.3% in 2028. Total exports will increase by 3.3% in 2027 and by 2.3% in 2028. In 2027, growth will continue to be supported by the effects of investment in the pharmaceutical and automotive sectors and by the recovery of industry in Slovenia's trading partners. In 2028, the contribution from new production capacities will diminish, while fewer working days will also weigh on growth. In 2027, investment growth is expected to slow significantly to 2.7%, mainly reflecting the completion of several major projects in 2026. However, this does not point to a broad-based slowdown in investment, as the high level of capacity utilisation is expected to support continued investment in machinery and equipment, while residential investment is projected to strengthen. For 2028, we forecast investment growth of 5.0%, which will be more broad-based, as public investment is expected to resume growth, while private-sector residential and business investment will continue to increase. Public investment will be supported significantly by infrastructure projects, including those financed by the Reconstruction Fund, whose resources must be utilised by the end of 2028. Growth in household consumption will also remain a relatively stable source of domestic demand. In line with growth in disposable income, it is expected to be only slightly lower over the next two years than this year (2.7% and 2.6%, respectively). Government consumption growth is likewise projected to moderate, to 2.5% in 2027 and 2.0% in 2028. Sustaining economic growth in the coming years will depend on maintaining private investment after the completion of major projects, leveraging new production capacities and the recovery in foreign demand, and addressing the constraints posed by high energy and labour costs and labour shortages.

Employment is expected this year to slightly exceed last year's level (0.3%) and remain broadly stable at a high level over the next two years amid limited labour supply, while unemployment will remain low. Employment in public services will increase slightly this year, particularly in health and social work and education. In private-sector activities, employment will remain below last year's level, with the largest declines expected in manufacturing, construction and some market services. Many companies continue to report labour shortages, which, in IMAD's assessment, are largely structural, reflecting demographic trends. Over the next two years, total employment is expected to remain broadly unchanged, with further growth concentrated mainly in public services, particularly in health and social care, reflecting the growing needs of a long-lived society. Continued employment growth among foreign nationals will partly offset the decline in the number of Slovenian citizens in employment. The number of registered unemployed persons is expected to remain broadly stable this year, averaging around 45 thousand, before declining further over the next two years to a historically low level. This will mainly reflect demographic changes and an increase in transitions from unemployment into inactivity or retirement.

Nominal growth in the average gross wage is projected to accelerate to 7.9% this year before gradually moderating in the coming years. In the public sector, wage growth (8.3%) will continue to be driven by payments related to the pay reform and collective agreements, although their impact will gradually diminish thereafter. This year, wage growth in the private sector is projected to strengthen markedly from last year (to 7.5%). In addition to the effect of last year's low base, wage growth will be driven mainly by stronger economic activity, persistent labour market pressures, the impact of higher public-sector wages on wage expectations in the private sector, and the increase in the minimum wage. In the coming years, wage growth is expected to gradually moderate as companies seek to maintain their competitiveness.

Inflation is expected to average 3.1% this year, exceeding the spring forecast (2.6%), mainly due to increases in energy and services prices, while food price growth is also expected to pick up towards the end of the year. The increased contribution of energy prices to inflation will continue to be driven mainly by high petroleum product prices on the Mediterranean market, which have risen since the outbreak of the war in the Middle East. The forecast assumes that measures to mitigate high petroleum product prices will remain in place. Energy price growth will also be affected by the transitional arrangements associated with the introduction of the new electricity network charge system. Services price growth will remain elevated amid continued relatively strong wage growth, particularly in activities where labour shortages are adding to wage pressures and demand remains relatively robust. Higher energy prices and adverse weather conditions are also expected to push up food price growth, particularly for unprocessed food, where changes in production conditions feed through more quickly to final prices. Growth in non-energy industrial goods prices is expected to remain relatively subdued. Over the next two years, assuming no new external shocks, inflation is expected to gradually moderate, although its dynamics, particularly in 2027, will continue to be influenced by the pass-through of this year's cost pressures, especially to the prices of certain energy products (electricity and gas) and food, with stronger growth expected in processed food prices. Services price growth will also remain elevated amid continued growth in incomes and demand.

The Autumn Forecast is subject to significant risks, which are predominantly tilted to the downside and stem primarily from the international environment and, to a lesser extent, from domestic factors. Upside risks to economic growth could arise from an easing of geopolitical tensions and the implementation of development-oriented measures. International risks are primarily related to the evolution of the war in the Middle East and developments in global energy markets. Prolonged disruptions to the production and export of energy commodities and other key raw materials from the Persian Gulf could lead to further increases in oil, natural gas, petroleum products, fertiliser and food prices, as well as transport costs, while also exacerbating supply chain disruptions. A prolonged closure of the Strait of Hormuz, or severe restrictions on traffic through it, would amplify these effects and further weigh on global and European economic growth. At the same time, the risk of higher energy prices feeding through to underlying inflation, wage growth and inflation expectations would increase, potentially prompting tighter monetary policy and further constraining economic activity.

Trade tensions and developments in financial markets also remain important sources of uncertainty. Additional risks include potentially more pronounced effects of climate change, particularly on food prices, and larger corrections in the value of AI-related investments. Domestic risks include, in particular, more severe labour shortages, which could further intensify pressures on labour cost growth and weaken corporate competitiveness. Upside risks to economic growth could stem mainly from a faster-than-expected easing of geopolitical tensions, stronger effects of defence and infrastructure spending, improvements in the business and tax environment, a more robust technology investment cycle, and greater success in attracting highly skilled workers.

Slovenia's main macroeconomic aggregates

	2025	Autumn Forecast (September 2026)		
		2026	2027	2028
GDP				
GDP, real growth in %	1.5	**3.8**	**2.5**	**2.3**
GDP, nominal growth in %	5.5	**7.3**	**5.8**	**4.9**
GDP in EUR billion, current prices	71.2	**76.3**	**80.8**	**84.8**
Exports of goods and services, real growth in %	0.2	**5.3**	**3.3**	**2.3**
Imports of goods and services, real growth in %	2.8	**6.5**	**3.6**	**3.3**
External balance of goods and services (contribution to growth in p.p.)	-1.9	**-0.6**	**-0.1**	**-0.6**
Private consumption, real growth in %	2.5	**2.9**	**2.7**	**2.6**
Government consumption, real growth in %	3.2	**4.7**	**2.5**	**2.0**
Gross fixed capital formation, real growth in %	5.3	**9.5**	**2.7**	**5.0**
Change in inventories and valuables (contribution to growth in p.p.)	0.4	**-0.1**	**0.0**	**0.0**
EMPLOYMENT, WAGES AND PRODUCTIVITY				
Employment according to the National Accounts Statistics, growth in %	-0.1	**0.3**	**0.0**	**0.0**
Number of registered unemployed, annual average in '000	45.4	**45.3**	**44.1**	**43.7**
Registered unemployment rate in %	4.6	**4.6**	**4.5**	**4.4**
ILO unemployment rate in %	3.9	**3.9**	**3.9**	**3.9**
Gross wages per employee, nominal growth in %	5.9	**7.9**	**5.8**	**4.9**
Gross wages per employee, real growth in %	3.4	**4.6**	**3.0**	**2.7**
– private sector	1.5	**4.2**	**2.5**	**2.6**
– public sector	6.8	**5.0**	**3.7**	**2.8**
Labour productivity (GDP per employee), real growth in %	1.6	**3.5**	**2.4**	**2.4**
BALANCE OF PAYMENTS STATISTICS				
Current account BALANCE, in EUR billion	2.9	**1.8**	**1.5**	**1.0**
- as a % of GDP	4.1	**2.4**	**1.8**	**1.1**
PRICES AND EFFECTIVE EXCHANGE RATE				
Inflation (Dec./Dec.), in %	2.7	**3.7**	**2.5**	**2.0**
Inflation (annual average), in %	2.4	**3.1**	**2.7**	**2.1**
Real effective exchange rate deflated by unit labour costs	3.1*	**1.0**	**1.1**	**0.7**
ASSUMPTIONS				
Foreign demand (imports of trading partners), real growth in %	3.7	**2.3**	**2.6**	**2.8**
GDP in the euro area, real growth in %	1.2	**0.8**	**1.2**	**1.4**
Oil price (Brent crude, USD/barrel)	69.1	**89.7**	**79.7**	**74.7**
Non-energy commodity prices in USD, growth	6.7	**9.5**	**1.0**	**-0.5**
USD/EUR exchange rate	1.129	**1.162**	**1.159**	**1.159**

Source: For 2025 SURS (2026), BoS (2026a), ECB (2026a), EIA (2026), Eurostat (2026); for 2026–2028 IMAD forecasts.
Note: IMAD estimate, taking into account NULC growth for Slovenia based on the first annual estimate of the national accounts for 2025, published by SURS on 31 August 2026 (5.6%; according to quarterly data, NULC growth in 2025 was 6.3%).

The Autumn Forecast of Economic Trends is based on statistical data, information and adopted measures known at the cut-off date of 7 September 2026.