

Spring Forecast of Economic Trends 2026

Summary

In a context of heightened uncertainty, economic growth in Slovenia's main trading partners is, according to forecasts by international institutions, expected to remain broadly comparable to last year in 2026, while activity is projected to strengthen in Germany and Austria, two of Slovenia's key export markets. Amid elevated geopolitical and economic uncertainty, the European economy faces mounting competitive pressures and structural constraints. Accordingly, even in the absence of adverse shocks, no significant acceleration in economic activity is expected over the period 2027–2028.

Under the baseline scenario, which does not assume persistently elevated oil and gas prices or disruptions to their supply, GDP growth in Slovenia is projected to strengthen this year (2.0%) and remain at a similar rate over the next two years. The export-oriented sector of the economy is expected to gradually recover, supported by improved prospects for industrial production in Slovenia's main trading partners and by the completion of investment projects in the pharmaceutical and automotive industries. Nevertheless, restructuring challenges and cost pressures persist. Investment activity will continue to expand, with its dynamics driven primarily by public investment. Growth in private business investment will remain subdued, constrained by uncertainty in the international environment and domestic cost pressures. Housing investment is expected to recover gradually following a two-year contraction. Growth in private consumption will strengthen this year and align more closely with disposable income growth than in 2025, when the household saving rate increased markedly. Household expenditure will underpin turnover growth in trade and tourism and leisure services, also reflecting continued growth in foreign tourist arrivals. Growth in government consumption in 2026 will also exceed last year's level, largely due to the full-year implementation of institutional long-term care services, followed by a moderation over the subsequent two years.

Labour market developments are increasingly influenced by demographic changes; owing to the limited supply of labour, employment is expected to stagnate this year and over the following two years, while unemployment will remain low. Employment growth in public services is expected to continue, primarily reflecting growing demand in health and social care. In other activities, the decline in employment is projected to moderate in line with the anticipated acceleration of economic activity. A large share of new employment will continue to stem from the hiring of foreign nationals. The number of registered unemployed, currently at a historically low level, is expected to remain broadly unchanged on average this year compared with last year and to decline gradually over the following two years, as demographic trends increasingly shift individuals from unemployment into inactivity or retirement.

Wage growth will be higher this year (6.7% in nominal terms) than last year.

In the public sector, growth will moderate from last year's 9.4% but remain relatively high (6.5%), mainly reflecting the continued payments under the wage reform. In the private sector, wage growth (6.7%) will be higher than last year, when it slowed statistically, as extra payments decreased significantly following the introduction of the winter bonus, which is not included in wage growth. Wage growth will continue to reflect tight labour market conditions, alongside spillover effects from public sector wage increases and the rise in the minimum wage at the beginning of 2026. In the coming years, overall wage growth in the public sector will gradually moderate in line with the envisaged implementation dynamics of the wage reform; it is also expected to slow in the private sector as firms seek to preserve competitiveness.

Inflation in 2026 (2.6% at year-end and 2.5% on average) is projected to remain broadly in line with last year's level; above-average growth in services and food prices is expected to persist, partly reflecting the impact of higher labour costs. In the absence of adverse shocks, inflation is projected to gradually converge towards 2% in the following years.

Although food price inflation is expected to moderate, it will continue to be influenced by adverse and increasingly volatile production conditions related to climate change, as well as by rising labour costs in the food industry and trade. The relatively high wage growth, together with increased consumption, will contribute to somewhat stronger growth in services prices compared with last year. Beyond 2026, assuming no shocks in energy and commodity markets, inflation is expected to gradually decline towards 2%, while services price inflation is projected to remain above average, with core inflation slightly exceeding 2% over a prolonged period.

The realisation of the Spring Forecast is subject to significant downside risks related to heightened geopolitical tensions, as well as the potential further increase in trade barriers; risks, albeit to a lesser extent, also stem from the domestic economic environment.

A protracted persistence or further escalation of geopolitical conflicts, including their potential spread to the broader Middle East region, would likely result in higher commodity prices, intensified inflationary pressures, and disruptions to global supply chains, thereby dampening global trade and European economic growth. A prolonged persistence of the currently elevated oil price at around USD 80 per barrel would somewhat slow economic growth in Slovenia, particularly exports and investment, while also increasing inflationary pressures due to higher energy prices. A prolonged closure of the Strait of Hormuz would further amplify these effects, as it would cause severe disruptions in the supply of oil, natural gas and other key commodities. A further increase in trade barriers and the persistence of global trade uncertainty also remain significant risks, which would weigh on the growth of the European economy, already facing structural challenges and reduced competitiveness for some time. In the domestic environment, risks are primarily associated with the capacity for implementing large-scale infrastructure projects, and rising labour costs. Upside risks to economic growth stem from a stronger-than-expected impact of defence and infrastructure expenditure (both domestically and abroad), more effective attraction of highly skilled labour and the positive impact of reform measures.

Slovenia's main macroeconomic aggregates

	2025	Spring Forecast (March 2026)		
		2026	2027	2028
GDP				
GDP, real growth in %	1.1	2.0	2.0	2.0
GDP, nominal growth in %	4.6	5.2	4.8	4.6
GDP in EUR billion, current prices	70.5	74.2	77.7	81.3
Exports of goods and services, real growth in %	0.3	2.3	3.0	2.2
Imports of goods and services, real growth in %	2.1	3.4	3.3	2.9
<i>External balance of goods and services (contribution to growth in p.p.)</i>	-1.3	-0.7	-0.1	-0.5
Private consumption, real growth in %	1.7	2.8	2.5	2.5
Government consumption, real growth in %	1.6	3.5	2.3	2.0
Gross fixed capital formation, real growth in %	4.1	3.4	1.4	3.4
<i>Change in inventories and valuables (contribution to growth in p.p.)</i>	0.3	-0.2	0.0	0.0
EMPLOYMENT, WAGES AND PRODUCTIVITY				
Employment according to the National Accounts Statistics, growth in %	-0.4	0.0	0.0	0.0
Number of registered unemployed, annual average in '000	45.4	45.1	44.7	44.2
Registered unemployment rate in %	4.6	4.6	4.5	4.5
ILO unemployment rate in %	3.9*	3.8	3.8	3.8
Gross wages per employee, nominal growth in %	5.9	6.7	5.5	5.0
Gross wages per employee, real growth in %	3.4	4.0	3.1	2.8
– private sector	1.5	4.0	2.7	2.5
– public sector	6.8	3.8	3.5	3.0
Labour productivity (GDP per employee), real growth in %	1.5	2.0	2.0	2.0
BALANCE OF PAYMENTS STATISTICS				
Current account BALANCE, in EUR billion	2.4	1.7	1.5	1.0
- as a % of GDP	3.4	2.3	1.9	1.2
PRICES AND EFFECTIVE EXCHANGE RATE				
Inflation (Dec./Dec.), in %	2.7	2.6	2.3	2.1
Inflation (annual average), in %	2.4	2.5	2.2	2.1
Real effective exchange rate deflated by unit labour costs	2.5**	1.3	1.5	1.0
ASSUMPTIONS				
Foreign demand (imports of trading partners), real growth in %	3.2	2.5	2.8	2.8
GDP in the euro area, real growth in %	1.5	1.3	1.4	1.4
Oil price (Brent crude, USD/barrel)	69.1	66.1	64.4	64.9
Non-energy commodity prices in USD, growth	6.7	6.4	0.5	-0.5
USD/EUR exchange rate	1.129	1.179	1.180	1.180

Source: For 2025 SURS (2026), BoS (2026b), ECB (2026), EIA (2026), Eurostat (2026); for 2026–2028 forecasts by IMAD. Note: * The annual figure is the average of the quarterly values. ** Data for the first three quarters.

The Spring Forecast of Economic Trends is based on statistical data, information and policy measures available as of the cut-off date of 20 February 2026. In addition, it incorporates the latest Labour Force Survey data, published on 23 February 2026, and data on income structure, published on 27 February 2026.