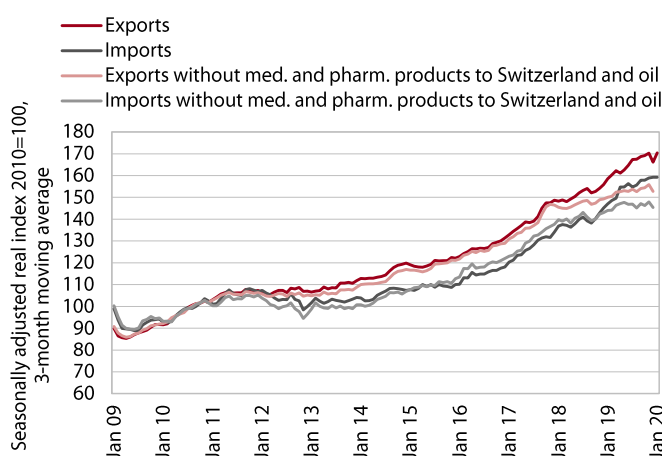


CURRENT ECONOMIC TRENDS

9–20 March 2020

The commented data do not yet cover the period of the coronavirus spread in Italy and other European countries. External trade movements slowed last year amid weak foreign demand and stagnation in manufacturing production; similar movements continued in January. The current account surplus widened further, particularly on account to a higher trade surplus in services. Activity also strengthened further in construction, especially in the residential buildings segment. Employment growth at the beginning of the year mainly reflected the increased hiring of foreign workers, while higher wage growth arose largely from wage rises in the private sector (the increase in the minimum wage).

Exports and imports of goods, January 2020



Source: SURS; calculations by IMAD.

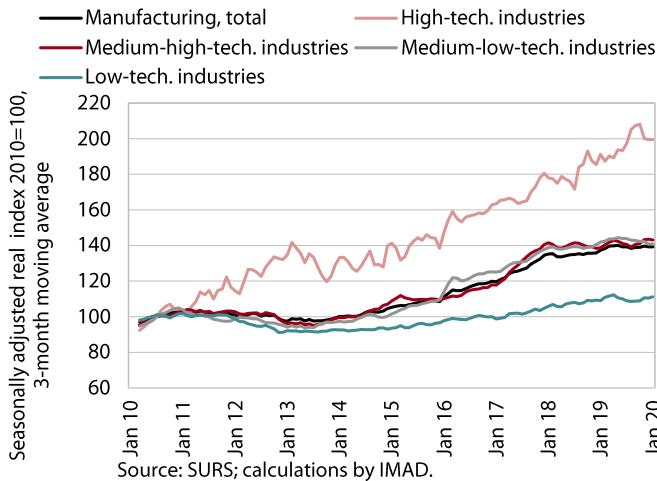
Note: Detailed data are until December 2019.

The slowdown in external trade movements seen from the second half of last year continued in January.¹

Last year's moderation reflected lower growth in exports of most key manufactured goods as a consequence of weak growth in global trade and economic activity in our main trading partners (particularly Germany, Italy and Austria). At the end of the year modest foreign demand also contributed to a pronounced decline in export orders (to the lowest level in six years), which had remained low after the improvement at the beginning of this year. Owing to stagnant manufacturing production, import growth also eased more noticeably last year.

¹ The strong monthly fluctuations of exports and imports are mainly related to the distribution of medicinal and pharmaceutical products via Switzerland and, partly, trade in oil and oil products.

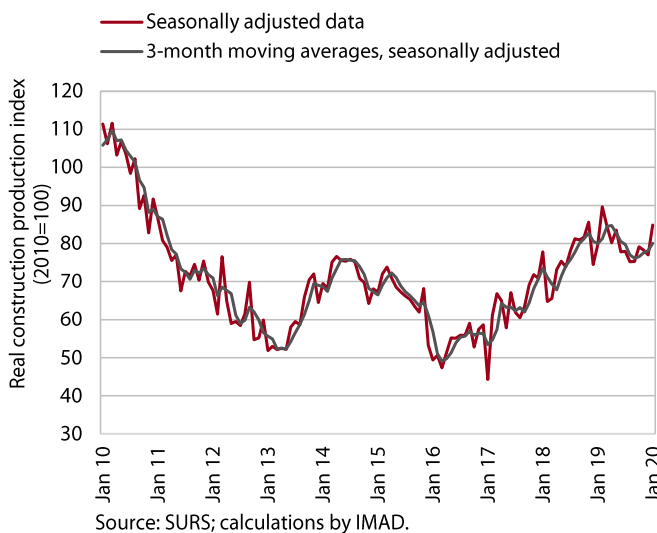
Production volume in manufacturing, January 2020



Production volume in manufacturing increased in January after a decline at the end of the year.

For several months it has been hovering close to the level reached at the beginning of last year, with monthly fluctuations. Following a pronounced downswing in the previous two months, production in *high-technology industries* rose significantly in January. High-technology production is otherwise characterised by significant monthly fluctuations, which are mainly related to the pharmaceutical industry. In January production in *other industry categories* remained close to the level of the end of last year, but it was mostly higher year on year. Only production volume in medium-low-technology industries, which are highly integrated into global value chains, was similar to that last year, which is related to modest production growth in trading partners during this period.

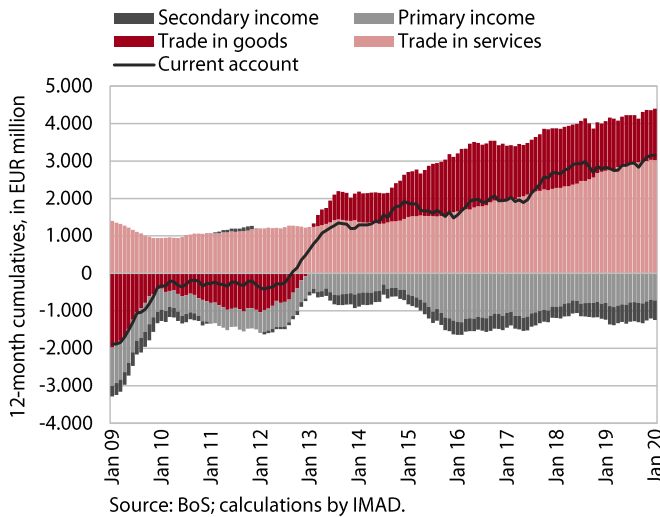
Construction, January 2020



After a decline in the middle of last year, construction activity increased towards the end of last year and intensified further in January.

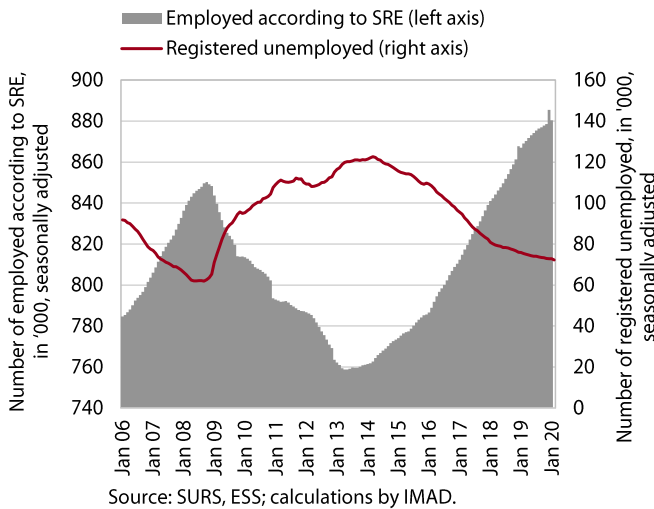
Activity strengthened the most in the construction of residential buildings and also increased in the construction of non-residential buildings and civil-engineering works. New contracts and the stock of contracts, the indicators of future activity in construction, dropped in the first half of last year before strengthening in the second. Favourable developments also continued in January, when the coronavirus had not yet spread to Europe.

Current account, January 2020



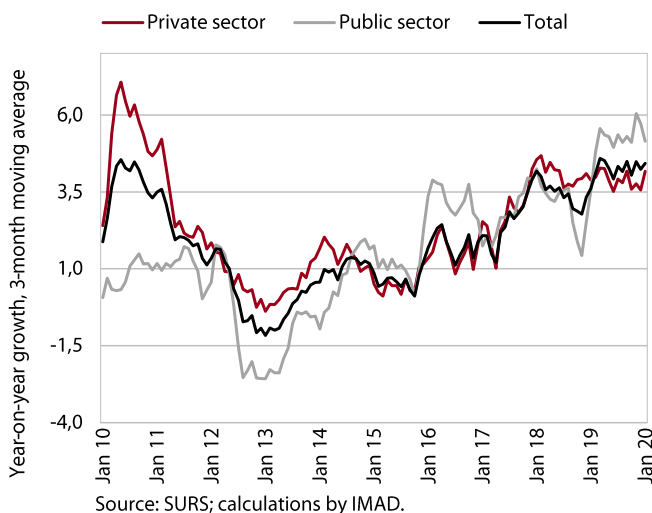
The current account surplus in the 12 months to January was higher year on year, at EUR 3.1 billion (6.3% of estimated GDP). This was still mainly attributable to a *higher trade surplus in services*, particularly construction, travel and telecommunication, computer and information services. The *surplus in goods trade* was also higher, reflecting stronger net exports of merchanting. The net outflow of *primary income* declined, largely due to lower net interest payments on external debt. Meanwhile, the growth of the current account surplus was lowered by a net outflow of *secondary income*, particularly higher VAT - and GNI-based payments into the EU budget.

Labour market, January–February 2020



Employment growth slowed at the beginning of the year. In January this year, the *number of persons employed* increased by 1.6% year on year (the most in construction, transportation and storage and accommodation and food service activities), which is almost half less than in the same period of 2019. Demographic change and the shortage of domestic workers continued to support the hiring of foreigners, who contributed three quarters to total employment growth. The *number of unemployed persons* declined further at the beginning of the year, despite a slowdown in economic activity and the low unemployment rate. At the end of February, it stood at 77,484, which is 4.1% less than in the same period of 2019.

Wages, January 2020



Year-on-year wage growth continued at the beginning of the year. In contrast to last year, this was true particularly for the *private sector* where, amid relatively low unemployment and labour shortages, growth was also attributable to January's increase in the minimum wage agreed at the end of 2018. Wages rose the most in activities with a large number of workers with below-average wage (trade, accommodation and food service activities, manufacturing and administrative and support service activities). The increase in the minimum wage also influenced wage growth in the *public sector*, but this was somewhat lower than last year due to a lower volume of promotions at the end of last year (3.2%; last year 4.9%).

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 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
Trade balance ¹	16.03.2020	14.04.2020	EUR m	208,2	133,1	-63,9	148,2	:	:
Current account ¹	16.03.2020	14.04.2020	EUR m	418,1	314,9	115,3	266,3	:	:
Exports of goods, real ²	10.03.2020	10.04.2020	% (M/M-1) ⁴	0,2	1,6	-9,1	16,4	:	:
	10.03.2020	10.04.2020	% (M/M-12)	8,9	5,3	4,9	12,0	:	:
Imports of goods, real ²	10.03.2020	10.04.2020	% (M/M-1) ⁴	0,5	-4,9	5,3	-0,2	:	:
	10.03.2020	10.04.2020	% (M/M-12)	11,2	4,1	14,0	6,8	:	:
				2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
Inflation (CPI)	31.03.2020	30.04.2020	% (M/M-1)	0,1	0,1	-0,2	-0,9	0,7	-0,8
	31.03.2020	30.04.2020	% (M/M-12)	1,4	1,4	1,8	2,1	2,0	0,5
				2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
Gross earnings per employee – nominal	16.03.2020	15.04.2020	% (M/M-1)	1,7	9,0	-2,2	-2,6	:	:
	16.03.2020	15.04.2020	% (M/M-12)	3,9	4,7	4,1	4,5	:	:
- private sector	16.03.2020	15.04.2020	% (M/M-1)	2,5	11,2	-4,5	-2,1	:	:
	16.03.2020	15.04.2020	% (M/M-12)	3,5	3,4	3,8	5,3	:	:
- public sector	16.03.2020	15.04.2020	% (M/M-1)	0,5	5,1	1,8	-3,6	:	:
	16.03.2020	15.04.2020	% (M/M-12)	4,9	7,3	4,9	3,2	:	:
- of which government sector	16.03.2020	15.04.2020	% (M/M-1)	-0,2	2,6	1,9	-0,4	:	:
	16.03.2020	15.04.2020	% (M/M-12)	6,5	8,5	7,5	4,2	:	:
				2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
Employed persons	17.03.2020	16.04.2020	% (M/M-1) ⁴	0,1	0,1	0,8	-0,6	:	:
	17.03.2020	16.04.2020	% (M/M-12)	2,2	2,0	2,0	1,5	:	:
Registered unemployed persons	04.03.2020	03.04.2020	% (M/M-1) ⁴	-0,2	-0,4	-0,2	0,1	-0,9	:
	04.03.2020	03.04.2020	% (M/M-12)	-5,0	-4,9	-4,1	-3,6	-4,1	:
Registered unemployment rate	17.03.2020	16.04.2020	%	7,4	7,4	7,7	8,2	:	:
				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 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
Industrial producer prices, domestic market	24.02.2020	/	% (M/M-1)	-0,4	0,1	0,1	0,1	:	:
	24.02.2020	/	% (M/M-12)	1,9	2,0	2,1	1,9	:	:
Production volume in manufacturing, real	17.03.2020	10.04.2020	% (M/M-1) ³	1,7	-0,6	-1,4	3,1	:	:
	17.03.2020	10.04.2020	% (M/M-12)	3,7	0,2	5,0	2,7	:	:
Construction, real value of construction output	13.03.2020	15.04.2020	% (M/M-1) ³	5,1	-1,1	-1,6	10,2	:	:
	13.03.2020	15.04.2020	% (M/M-12)	-3,2	-8,7	2,9	6,8	:	:
Turnover in trade, real	31.03.2020	24.04.2020	% (M/M-1) ³	-2,0	-0,5	0,5	2,2	:	:
	31.03.2020	24.04.2020	% (M/M-12)	-1,1	-2,9	-0,4	0,6	:	:
Nominal turnover in market services	31.03.2020	24.04.2020	% (M/M-1) ³	0,1	0,2	0,2	0,3	:	:
	31.03.2020	24.04.2020	% (M/M-12)	2,9	1,6	4,1	3,2	:	:
				2014	2015	2016	2017	2018	2019
General government deficit/surplus (ESA 2010)	31.03.2020	30.09.2020	% BDP	-5,5	-2,8	-1,9	0,0	0,7	0,5
Consolidated gross general government debt (ESA)	31.03.2020	30.09.2020	% BDP	80,3	82,6	78,7	74,1	70,4	66,1
				2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
Economic sentiment indicator ⁵ , seasonally adjusted	30.03.2020	24.04.2020	% ³	4,0	2,3	3,0	4,0	5,1	-3,7
				2019 m 10	2019 m 11	2019 m 12	2020 m 1	2020 m 2	2020 m 3
EURIBOR, 3-month	Beginning of the month *	%		-0,413	-0,401	-0,395	-0,391	-0,409	-0,419
Long-term government bond yields	Beginning of the month	%		0,05	0,14	0,21	0,23	0,04	
Exchange rate, USD to EUR	Beginning of the month	US\$		1,1053	1,1051	1,1113	1,1100	1,0905	1,1063

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>