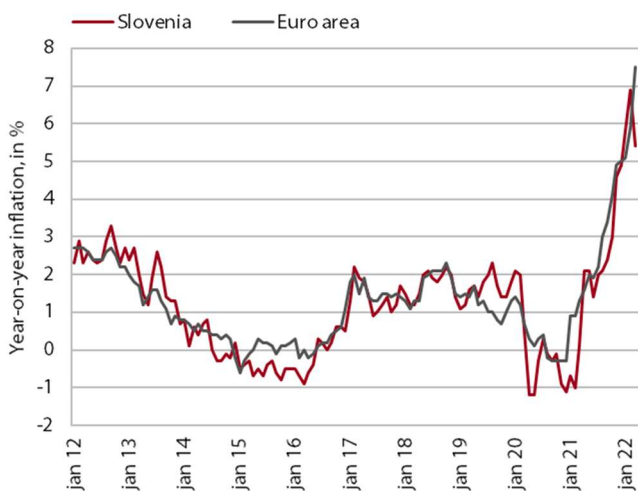


CURRENT ECONOMIC TRENDS

28 March–1 April 2022

Consumer price inflation moderated slightly to 5.4% year-on-year in March, reflecting a temporary exemption from the payment of certain electricity contributions. Inflation in the euro area rose to 7.5% in March. High price growth and the decision by the ECB to slightly accelerate the scaling back of expansionary monetary policy measures led to higher yields to maturity for euro area government bonds, while the increase in Slovenian government bond spreads over Germany remained moderate. In January, turnover in trade fell compared to the previous month. The monthly dynamics in recent months is mainly due to strong fluctuations in real turnover in the sale of automotive fuels; year-on-year, turnover in trade increased by more than a fifth. In January, turnover was higher year-on-year in all market services, and compared to the same period before the epidemic, it was significantly lower only in travel agencies, motion picture activities, rental and leasing activities and food and beverage service activities.

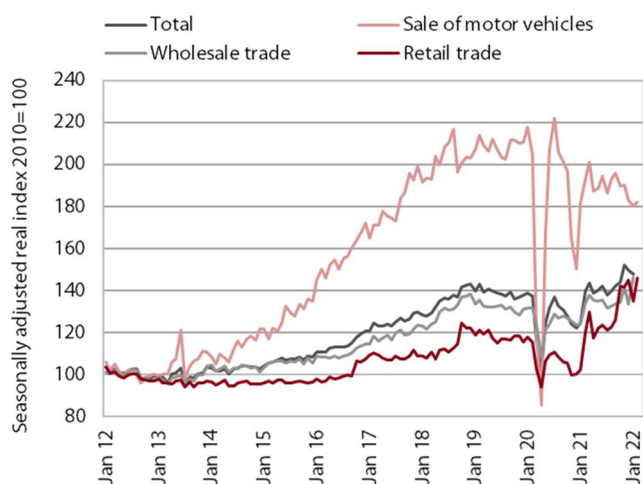
Inflation, March 2022



Source: SURS, Eurostat.

After a sharp increase at the beginning of this year, consumer price inflation eased slightly to 5.4% year-on-year in March. The lower inflation was mainly due to the passing of the Act on Intervention Measures to Mitigate the Consequences of High Energy Prices, which allowed for a temporary exemption from the payment of certain contributions, leading to a significant decrease in electricity prices (by 38.6% month-on-month and 29.8% year-on-year). The reintroduction of administered fuel prices also somewhat slowed the rise in petroleum product prices, which were nevertheless more than a quarter higher year-on-year. As the prices for package holidays fell significantly due to seasonal factors, the increase in service prices was also lower year-on-year. Prices for semi-durable goods remained at around 4.5% year-on-year, while growth in durable goods prices remained high (8.8%). Given the geopolitical tensions, cost pressures are intensifying due to high prices for energy and inputs, leading to an increase in food prices. These were almost 7% higher year-on-year in March, which is the highest increase since 2008.

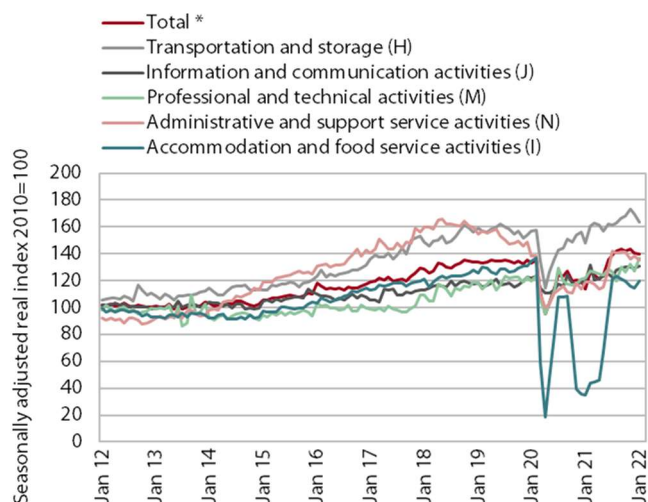
Turnover in trade, January–February 2022



Source: SURS; calculations by IMAD.

Turnover in trade fell in January from the previous month but was more than a fifth higher year-on-year, partly due to the low base. The monthly decline was mainly the result of a sharp fall in *retail trade*, the dynamics of which have been determined by strong fluctuations in real turnover in the sale of automotive fuels in recent months. After high growth in December, it fell sharply in January but picked up again in February, according to preliminary data. Turnover in the *sale of motor vehicles* further decreased slightly in January. Due to delays in vehicle deliveries, this was the only main segment to fall short of pre-epidemic turnover. However, after a significant decline in the previous month, growth of turnover in *wholesale trade* gained momentum.

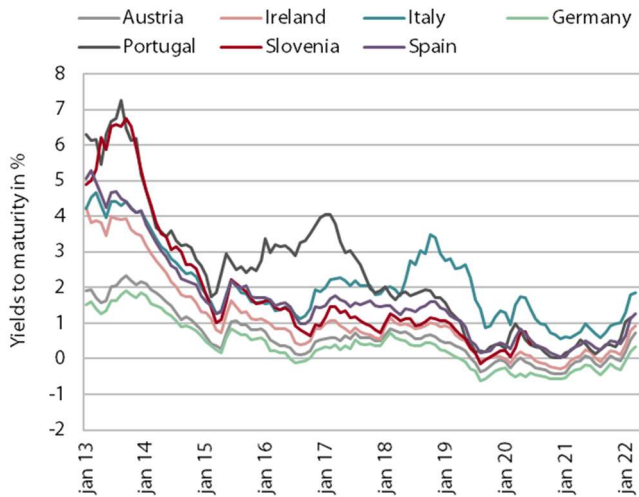
Turnover in market services, January 2022



Source: SURS; calculations by IMAD. Note: * including real estate.

Compared to the previous month, real turnover increased again in most market services in January. Given the renewed strong growth in architectural and engineering services, the highest increase in turnover in current terms was observed in *professional and technical activities*. It increased again in *accommodation and food service activities* and was higher in *information and communication activities* due to higher turnover in computer and telecommunication services. Turnover in *transportation and storage* has been declining for the last two months, with the largest decline in land transport and support transportation activities. Since November 2021, it has also mostly declined in *administrative and support service activities*, due to lower income in all segments except employment services. Compared to the previous month, total real turnover fell slightly (by 0.7%), but was 25% higher year-on-year due to the low base last year. In January, turnover was higher year-on-year in all market services, while compared to the same period in 2020, it was still significantly lower in travel agencies (by 60%) and in motion picture activities, rental and leasing activities and food and beverage service activities (by 23% on average).

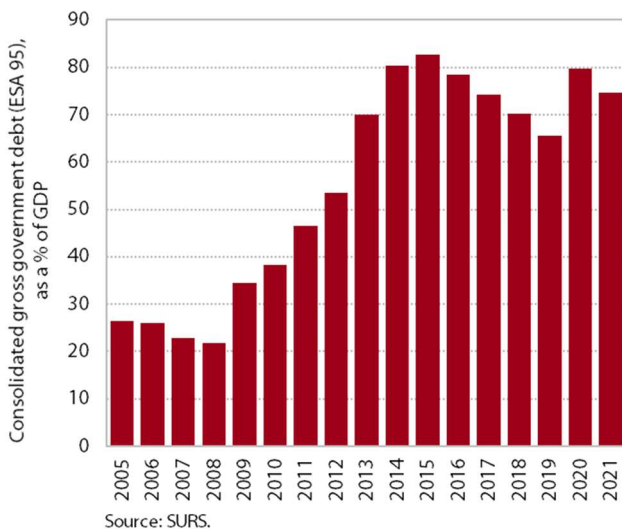
Bond, Q1 2022



Source: Bloomberg.

Yields to maturity of euro area government bonds rose significantly in the first quarter. The higher yield was influenced by the further rise in inflation in the euro area and the decision by the ECB to slightly accelerate the scaling back of expansionary monetary policy measures. The yield to maturity of the Slovenian 10-year government bond was 0.81% in the first quarter, the highest figure in the last three years. The spread to the German bond was 65 basis points, about 15 basis points higher than in the previous quarter, which is slightly above the pre-epidemic period.

General government deficit and debt in 2021, April EDP reporting



Source: SURS.

The general government's fiscal position improved in 2021 amid a rapid economic recovery and lower expenditure on measures to mitigate the impact of the epidemic. The deficit and public debt decreased slightly (from 7.8% to 5.2% of GDP and from 79.8% to 74.7% of GDP respectively), the latter also being affected by the decline in the country's cash reserves, which still remain high. IMAD estimates that expenditure on measures to mitigate the impact of the epidemic has fallen from 5.2% of GDP in 2020 to 4.5% of GDP. In contrast to lower expenditure on measures to mitigate the impact of the epidemic, growth in other expenditure increased in 2021. This was due to stronger investment growth as part of a broader European response to support the recovery, as well as other expenditure, some of which is of a permanent nature.

Table: Selected macroeconomic indicators for Slovenia

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
GDP, real	28.02.2022	16.05.2022	% (Q/Q-1) ³	11.8	-0.2	1.5	2.0	1.3	5.4
	28.02.2022	16.05.2022	% (Q/Q-4)	-1.4	-3.1	1.5	16.1	5.0	10.4
Private consumption, real	28.02.2022	16.05.2022	% (Q/Q-1) ³	20.7	-11.0	4.1	4.3	10.9	2.2
	28.02.2022	16.05.2022	% (Q/Q-4)	1.4	-11.2	-1.1	17.9	7.2	22.9
Government consumption, real	28.02.2022	16.05.2022	% (Q/Q-1) ³	2.0	-1.1	2.1	1.4	0.9	2.4
	28.02.2022	16.05.2022	% (Q/Q-4)	5.0	3.5	1.2	4.4	3.2	7.0
Gross investment, real	28.02.2022	16.05.2022	% (Q/Q-1) ³	2.1	22.8	-3.7	11.9	-5.4	-0.9
	28.02.2022	16.05.2022	% (Q/Q-4)	-21.7	12.0	5.6	36.3	24.5	0.8
Exports of goods and services, real	28.02.2022	16.05.2022	% (Q/Q-1) ³	17.5	5.6	3.2	1.2	1.3	5.8
	28.02.2022	16.05.2022	% (Q/Q-4)	-8.9	-0.7	1.6	30.5	11.6	12.1
Imports of goods and services, real	28.02.2022	16.05.2022	% (Q/Q-1) ³	14.5	7.5	5.0	4.5	1.2	5.0
	28.02.2022	16.05.2022	% (Q/Q-4)	-12.2	-0.8	1.2	36.1	19.1	16.8
Trade balance¹	16.03.2022	13.04.2022	EUR m	20.7	23.0	-227.1	-43.8	:	:
Current account¹	16.03.2022	13.04.2022	EUR m	168.4	135.1	-159.4	98.4	:	:
Exports of goods, real²	07.03.2022	04.04.2022	% (M/M-1) ⁴	2.3	3.3	-0.4	-0.3	:	:
	07.03.2022	04.04.2022	% (M/M-12)	4.0	13.8	17.3	7.9	:	:
Imports of goods, real²	07.03.2022	04.04.2022	% (M/M-1) ⁴	1.5	-2.8	7.0	-0.5	:	:
	07.03.2022	04.04.2022	% (M/M-12)	11.3	-3.3	19.8	22.0	:	:
Inflation (CPI)	31.03.2022	29.04.2022	% (M/M-1)	0.9	0.7	0.0	0.4	1.4	-1.1
	31.03.2022	29.04.2022	% (M/M-12)	3.0	4.6	4.9	5.8	6.9	5.4
Gross earnings per employee – nominal	22.03.2022	22.04.2022	% (M/M-1)	0.7	10.5	-1.0	-6.8	:	:
	22.03.2022	22.04.2022	% (M/M-12)	3.6	2.8	2.1	-2.7	:	:
- private sector	22.03.2022	22.04.2022	% (M/M-1)	-0.2	13.4	-2.2	-7.6	:	:
	22.03.2022	22.04.2022	% (M/M-12)	5.7	7.1	7.8	3.4	:	:
- public sector	22.03.2022	22.04.2022	% (M/M-1)	2.4	5.4	1.5	-5.2	:	:
	22.03.2022	22.04.2022	% (M/M-12)	0.5	-4.2	-6.3	-10.8	:	:
- of which government sector	22.03.2022	22.04.2022	% (M/M-1)	2.6	0.5	4.8	-3.2	:	:
	22.03.2022	22.04.2022	% (M/M-12)	-0.4	-8.5	-8.2	-13.3	:	:
Employed persons	16.03.2022	19.04.2022	% (M/M-1) ⁴	0.2	0.2	0.9	-0.5	:	:
	16.03.2022	19.04.2022	% (M/M-12)	2.5	2.8	3.0	3.3	:	:
Registered unemployed persons	03.03.2022	05.04.2022	% (M/M-1) ⁴	-2.0	-2.6	-3.0	-2.7	-2.3	:
	03.03.2022	05.04.2022	% (M/M-12)	-20.3	-22.3	-24.4	-25.9	-26.4	:
Registered unemployment rate	16.03.2022	19.04.2022	%	6.8	6.7	6.7	6.9	:	:
Employment, LFS	28.02.2022	31.05.2022	% (Q/Q-1) ⁵	0.4	1.2	-4.9	4.8	1.1	-1.0
	28.02.2022	31.05.2022	% (Q/Q-4)	-0.3	0.4	-5.5	1.1	1.9	-0.3
ILO unemployment rate, LFS	28.02.2022	31.05.2022	%	5.1	5.1	5.6	4.3	4.5	4.5
Industrial producer prices, domestic market	21.03.2022	21.04.2022	% (M/M-1)	0.7	0.8	0.4	2.5	5.7	:
	21.03.2022	21.04.2022	% (M/M-12)	9.5	10.1	10.6	12.8	18.4	:
Production volume in manufacturing, real	10.03.2022	11.04.2022	% (M/M-1) ³	0.0	5.0	1.0	-1.0	:	:
	10.03.2022	11.04.2022	% (M/M-12)	1.9	9.7	15.9	11.7	:	:
Construction, real value of construction output	25.03.2022	15.04.2022	% (M/M-1) ³	-9.0	3.7	-4.4	14.9	:	:
	25.03.2022	15.04.2022	% (M/M-12)	-8.9	-13.7	-9.7	5.9	:	:
Turnover in trade, real	29.03.2022	28.04.2022	% (M/M-1) ³	1.4	5.5	-1.4	-1.2	:	:
	29.03.2022	28.04.2022	% (M/M-12)	11.6	23.6	24.4	22.3	:	:
Real turnover in market services	30.03.2022	29.04.2022	% (M/M-1) ³	-1.4	1.2	-1.9	-0.7	:	:
	30.03.2022	29.04.2022	% (M/M-12)	17.2	17.9	20.8	25.5	:	:
General government deficit/surplus (ESA 2010)	31.03.2022	30.09.2022	% BDP	-1.9	-0.1	0.7	0.4	-7.8	-5.2
Consolidated gross general government debt (ESA 2010)	31.03.2022	30.09.2022	% BDP	78.5	74.2	70.3	65.6	79.8	74.7
Economic sentiment indicator⁵, seasonally adjusted	25.03.2022	22.04.2022	% ³	2.3	3.0	4.9	5.5	6.7	1.5
EURIBOR, 3-month	Beginning of the month *		%	-0.5498	-0.5674	-0.5820	-0.5601	-0.5323	-0.4967
Long-term government bond yields	Beginning of the month		%	0.2500	0.2300	0.2600	0.4400	0.8400	1.1700
Exchange rate, USD to EUR	Beginning of the month		US\$	1.1601	1.1414	1.1304	1.1314	1.1342	1.1019

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

Notes: ¹Balance of payments statistics of the BoS. ²External trade statistics SURS. ³Seasonally adjusted – SURS. ⁴Seasonally adjusted – IMAD. ⁵Difference 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/peels>

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).