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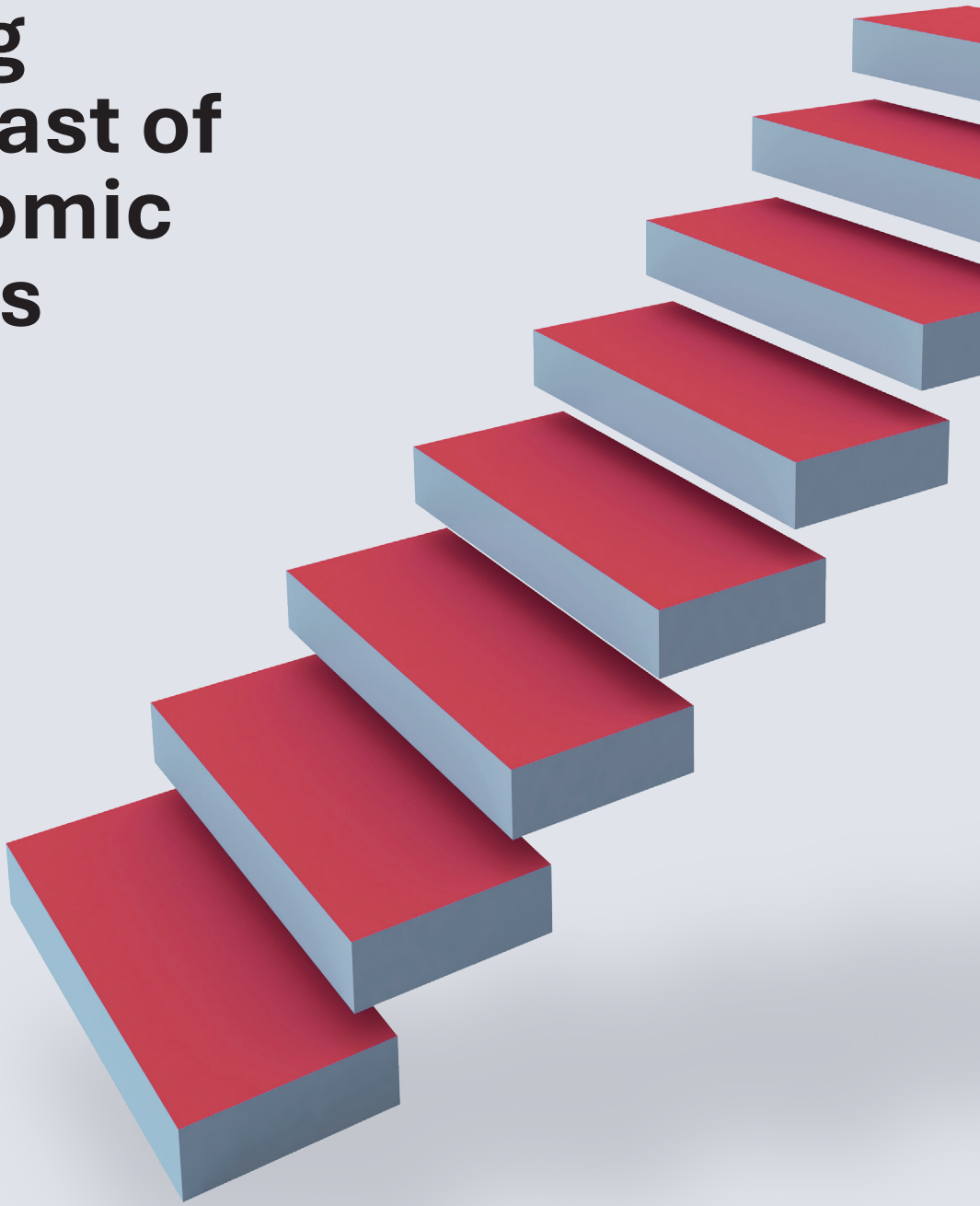
Slovenia

Spring Forecast of Economic Trends

2025



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Spring Forecast of Economic Trends 2025
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Summary

In their latest forecasts for the euro area, international institutions project that GDP growth this year will be only slightly higher than last year, followed by a gradual strengthening that will be slower than anticipated in the autumn, particularly in Germany. High geopolitical and economic uncertainty, reflected in the record-high trade policy uncertainty index in January 2025, along with measures already implemented by the US government, indicate a potential for further forecast downgrades or increased downside risks. Given these factors, the Institute of Macroeconomic Analysis and Development (IMAD) has adopted a conservative approach in its assumptions. Economic growth of 0.8% is expected for the euro area this year, strengthening to 1.1% in 2026 and 1.2% in 2027. Among Slovenia's key trading partners, Germany's economy is expected to recover the slowest, with growth projected to reach 0.8% in both 2026 and 2027, following stagnation this year.

Economic growth in Slovenia is expected to accelerate to 2.1% this year, slightly below expectations from autumn 2024. Growth in goods export will be somewhat lower this year after last year's strong performance, which weakened significantly in the fourth quarter, and will largely align with the growth in foreign demand. Growth in services exports is expected to accelerate further. Domestic consumption will be a key driver of GDP growth this year, in particular continued growth in private consumption, supported by rising wages and social transfers, as well as a recovery in investment following last year's decline. Growth in household consumption will drive turnover in trade and in tourism- and leisure-related services, further boosted by the continued rise in consumption by foreign tourists. Government investment activity will increase, supported by the funds from the Recovery and Resilience Plan (RRP) and the Fund for the Reconstruction of Slovenia, established in response to the 2023 floods. However, uncertainty and weak economic recovery among Slovenia's trading partners will lead to cautious investment decisions, particularly in export-oriented sectors. Some impetus will come from lower interest rates, which will have an impact on housing investment in particular, albeit more in the medium term. In 2025, government consumption growth is expected to moderate to 2.7%, compared to last year. As in 2024, the ongoing recovery from floods is expected to impact growth in general government spending on goods and services, not just on investment. Additionally, the first effects of the new long-term care benefits, implemented in mid-2025, are expected to start emerging.

In the baseline scenario, GDP growth is expected to accelerate slightly to 2.4% in 2026 and 2.3% in 2027. With the gradual recovery in foreign demand, exports of goods and services are expected to continue growing, albeit at a slower pace than before the pandemic and the energy crisis. In addition to the assumed gradual strengthening of foreign demand, the completion of an investment of a pharmaceutical company and the launch of production of a new car model will have a positive impact on goods exports, which will also boost value-added growth in manufacturing. Domestic consumption will remain an important contributor to GDP growth. Growth in household consumption will be similar to this year and will further boost sales in trade, accommodation and food service activities, as well as arts, entertainment, personal and sports activities. Investment growth will continue to strengthen, driven not only by high levels of

government investment but also by increased investment in residential construction, and equipment and machinery. The dynamics of government consumption growth in 2026 and 2027 will be influenced primarily by the introduction of new benefits under the new long-term care system.

In addition to economic conditions, demographic changes also play a significant role in shaping the labour market. Given the high level of employment and ongoing labour shortages, employment is expected to increase by 0.1% this year and by 0.4% and 0.5% over the next two years, amid moderate economic growth. After stagnating at record levels for most of last year, employment is expected to grow modestly this year, with a slight acceleration possible over the next two years, driven primarily by the employment of foreign workers. Unemployment will continue to decline slightly, with the number of registered unemployed falling not only due to the transition into employment but also due to the increasing transition from unemployment to inactivity or retirement.

Overall growth in the average gross wage is expected to remain relatively high this year (6.2%), driven by both the private and public sectors, before weakening somewhat in the following years (5.5% and 5.1%). Real wage growth (around 3%) will remain above the levels recorded a decade ago. In the public sector, wage growth this year and over the next three years will be significantly influenced by the wage reform implemented on 1 January 2025. The impact will be strongest this year and will gradually decrease in 2026 and 2027, in line with the projected reform dynamics and its estimated effects. In the private sector, wage growth is expected to remain relatively high this year and in the coming years, followed by a gradual weakening. Upward pressure on wage growth will continue to be significantly influenced by labour shortages and, to some extent, by the demonstration effect of public sector wage increases. However, companies' efforts to remain competitive will result in real growth being slightly more subdued.

Price growth is expected to be subdued in most groups this year, with services prices continuing to rise faster than overall inflation. Inflation dynamics will be significantly influenced by past and ongoing measures and their phasing out, with inflation expected to reach 2.7% by the end of 2025 and average 2.3% for the year. Assuming relative stability in international energy markets, year-on-year growth in energy prices will continue to fluctuate considerably due to the expiry of temporary measures to mitigate soaring energy costs. In particular, the low base effect of the measures taken at the end of last year will also drive up year-on-year inflation at the end of this year. Growth in services prices is expected to remain above average in 2025 and beyond, driven by labour shortages and continued wage growth. The growth of non-energy industrial goods prices will be moderate. Together with the relatively higher growth of service prices, this will keep core inflation around 2%. Assuming no major shocks in commodity markets and moderate climate impacts, growth in food prices is expected to be subdued. In the absence of shocks, inflation is expected to fall slightly after 2025, hovering around 2%.

The preparation of macroeconomic forecasts is always subject to a degree of uncertainty, which has increased in recent years. This year, in particular, the realisation of the Spring Forecast is subject to considerable risks, primarily linked to the international environment and, to a lesser extent, the domestic environment. Most risks are tilted to the downside and have intensified compared to the Autumn Forecast, though some upside risks to the baseline scenario remain. The greatest downside risk to GDP growth from the international environment arises from significantly increased uncertainty (partially already factored into the baseline assumptions), particularly associated with the potential escalation of US protectionist measures and retaliatory actions by affected countries. Such developments could hinder the expected gradual recovery of activity growth and the stabilisation of inflation in Slovenia's trading partners. Additionally, an escalation of tariffs on non-EU countries would further heighten the risk of slower global trade growth, supply chain disruptions and even stronger spillover effects. At the same time, this could expose European, including Slovenian, economies to greater foreign competition as trade shifts away from the US to markets where Slovenian companies are more directly or indirectly active. If 10% tariffs were imposed, followed by EU retaliatory measures, and increased and prolonged trade policy uncertainty, Slovenia's economic growth could be around half a percentage point lower. A further increase in existing car tariffs to 25% would amplify this effect. Geopolitical uncertainty also remains high, particularly concerning developments in the Middle East and Ukraine, alongside other risks that could slow European economic growth, which has been hindered for some time by reduced competitiveness and structural challenges. The key issue is the ability of the European manufacturing sector, particularly the automotive industry, to address structural challenges such as higher energy prices, rapid technological progress, changing consumer preferences and global competition. A prolonged period of wage growth outpacing productivity, coupled with a shortage of skilled labour, could heighten inflationary pressures in euro area countries, impacting business competitiveness and investment decisions. Downside risks also arise from the domestic environment, particularly the implementation of large investment projects and the impact of rising labour costs on competitiveness. However, economic growth could exceed expectations in the baseline scenario if workforce attraction efforts are more successful and EU funds are absorbed more efficiently in conjunction with reform measures.

Slovenia's main macroeconomic aggregates

	2024	Spring forecast (February 2025)		
		2025	2026	2027
GDP				
GDP, real growth in %	1.6	2.1	2.4	2.3
GDP, nominal growth in %	4.7	4.9	5.2	4.8
GDP in EUR billion, current prices	67.0	70.3	73.9	77.5
Exports of goods and services, real growth in %	3.2	2.6	3.4	3.1
Imports of goods and services, real growth in %	3.9	2.7	3.9	3.5
External balance of goods and services (contribution to growth in p.p.)	-0.4	0.1	-0.1	0.0
Private consumption, real growth in %	1.6	2.2	2.3	2.4
Government consumption, real growth in %	8.5	2.7	4.1	2.2
Gross fixed capital formation, real growth in %	-3.7	1.0	3.0	2.6
Change in inventories and valuables (contribution to growth in p.p.)	0.3	0.0	0.0	0.0
EMPLOYMENT, WAGES AND PRODUCTIVITY				
Employment according to the National Accounts Statistics, growth in %	0.1	0.1	0.4	0.5
Number of registered unemployed, annual average in '000	46.0	45.4	44.8	44.3
Registered unemployment rate in %	4.6	4.6	4.5	4.5
ILO unemployment rate in %	3.7*	3.7	3.7	3.7
Gross wages per employee, nominal growth in %	6.2	6.2	5.5	5.1
Gross wages per employee, real growth in %	4.1	3.8	3.1	3.0
– private sector	4.9	3.5	3.3	3.1
– public sector	2.5	4.4	2.9	2.7
Labour productivity (GDP per employee), real growth in %	1.4	2.0	2.0	1.7
BALANCE OF PAYMENTS STATISTICS				
Current account BALANCE, in EUR billion	3.3	3.1	2.9	2.6
– as a % of GDP	4.9	4.4	3.9	3.4
PRICES AND EFFECTIVE EXCHANGE RATE				
Inflation (Dec./Dec.), in %	1.9	2.7	2.2	2.1
Inflation (annual average), in %	2.0	2.3	2.3	2.1
Real effective exchange rate deflated by unit labour costs	0.9*	0.7	1.3	1.1
ASSUMPTIONS				
Foreign demand (imports of trading partners), real growth in %	0.4	2.2	2.5	2.6
GDP in the euro area, real growth in %	0.7	0.8	1.1	1.2
Oil price (Brent crude, USD/barrel)	80.5	75.7	71.1	69.4
Non-energy commodity prices in USD, growth	8.8	7.0	-0.5	-1.5
USD/EUR exchange rate	1.082	1.041	1.041	1.041

Sources: For 2024, SURS (2025), BoS (2025), ECB (2025a), EIA (2025), Eurostat (2025); for 2025−2027, forecast by IMAD. Note: *IMAD estimates.

The Spring Forecast of Economic Trends is based on statistical data, information and adopted measures known at the cut-off date of 14 February 2025.

Spring Forecast of Economic Trends 2025

1 Assumptions of the Spring Forecast of Economic Trends 2025

Economic growth in the euro area picked up slightly in 2024. According to Eurostat's flash estimate, GDP growth stood at 0.7% (seasonally adjusted; 0.4% in 2023). Private and government consumption and net exports made a positive contribution to growth, while investment declined.[1] GDP growth in the fourth quarter of 2024 in the largest economies[2] points to considerable differences in the pace of recovery. Sentiment indicators for the euro area improved slightly at the beginning of 2025, signalling an economic revival. Growth remains primarily driven by services, with the services indicator staying above 50, at a similar level to the end of last year. However, manufacturing output continues to contract, with the manufacturing Purchasing Managers' Index (PMI) showing slight improvement in January, indicating a smaller contraction in the sector compared to previous months. As a result, the composite PMI also edged slightly above 50, signalling an expansion in economic activity. The Economic Sentiment Indicator (ESI) for the euro area increased in January, with confidence rising in most sectors – most significantly in industry and among consumers – though it remained lower year-on-year.

The assumptions in the spring forecast of economic growth in the euro area for 2025–2027 envisage a gradual increase in GDP growth, albeit at a slower pace than projected in the autumn given the high level of geopolitical and economic uncertainty. At the time the spring forecast was prepared, most available projections from international institutions for the euro area were only slightly lower than those in autumn. However, heightened geopolitical and economic uncertainty, along with measures already implemented by the US government, suggest the possibility of further downgrades. Notably, the Trade Policy Uncertainty Index reached a record high in January 2025, signalling increased downside risks to the economic outlook. Given these factors, the Institute of Macroeconomic Analysis and Development (IMAD) has adopted a conservative approach in its assumptions. It expects economic growth of 0.8% for the euro area this year, strengthening to 1.1% in 2026 and 1.2% in 2027. Amid continued easing of inflation, wage growth and high employment, private consumption in the euro area is expected to rise on average. With a gradual easing of credit conditions and the continued implementation of the Recovery and Resilience Facility, growth will also be supported by investment, and, with the anticipated recovery in global trade, external demand is also expected to pick up gradually.

[1] ECB estimate (2024).

[2] Compared to the previous quarter, GDP grew by 0.8% in Spain but contracted in Germany (-0.2%) and France (-0.1%), while remaining stagnant in Italy (Eurostat, 2025).

Table 1: Assumptions of the forecast for economic growth in Slovenia's main trading partners

Real growth rates, in %	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2025	February 2025
EU	0.9	1.5	1.1	1.7	1.3	1.4
Euro area	0.7	1.3	0.8	1.5	1.1	1.2
Germany	-0.2	0.7	0.0	1.2	0.7	0.9
Italy	0.5	1.1	0.6	1.1	0.7	0.8
Austria	-1.0	1.3	0.6	1.4	1.1	1.3
France	1.1	1.3	0.6	1.4	0.9	1.2
Croatia	3.2	3.0	2.9	2.8	2.8	2.8
Foreign demand, real growth (%)	0.4	3.0	2.2	3.1	2.5	2.6

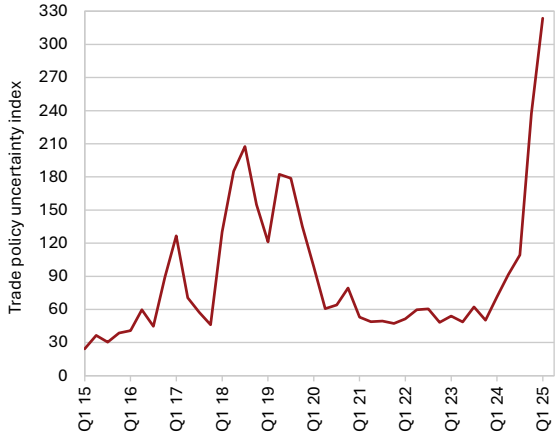
Sources: For 2024, Eurostat (2025); for 2025–2027, IMAD assumptions based on Consensus Economics (2025a, 2025b), ECB (2024), EC (2024), Focus Economics (2025a, 2025b), IfW Kiel (2024), IMF (2025), OECD (2024a), WIIW (2025); IMAD estimate.

The US had already introduced some protectionist measures in early February, prompting affected countries to announce or impose retaliatory tariffs. On 1 February, US President Donald Trump issued an executive order imposing a 25% tariff on Canadian imports, with the exception of Canadian oil and energy products, which are subject to a 10% tariff. In response, Canada announced retaliatory tariffs of 25% on one-third of US goods exports to Canada. These tariffs, initially set to take effect on 4 February, have been suspended for at least 30 days. Tariffs on Chinese exports to the US were increased by 10%, prompting China to retaliate. Since 10 February, imports from the US have been subject to 15% tariffs on natural gas and coal and 10% tariffs on crude oil and agricultural machinery. Additionally, on 12 March, the US will impose 25% tariffs on steel and aluminium imports from all countries.[3] The EU has stated that it would respond with "firm and proportionate" countermeasures.[4]

[3] The German economic institute IfW Kiel, using the KITE model, has estimated that the short-term economic effects of tariffs on steel and aluminium will be minor in the EU, Germany and the rest of the world (less than 0.04%), whereas significant in Canada (-0.4%) and Mexico (-0.2%), where the US is by far the most important trading partner, both overall and specifically for steel and aluminium (IfW Kiel, 2025).

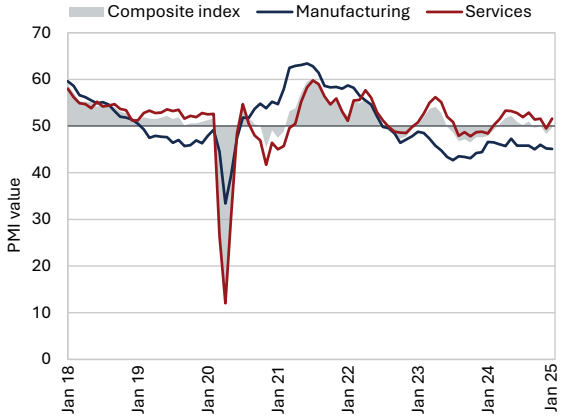
[4] The EU currently imposes average tariffs of 5.2% on imports from both the US and China. By contrast, the US applies average tariffs of 3.5% on imports from the EU, and before the increase at the beginning of February, 3.6% on imports from China. Meanwhile, China enforces higher average tariffs of 7.5% on EU goods and 7.6% on US goods (before the retaliatory tariffs). The proposed increase in US import tariffs to 10% (announced during Donald Trump's election campaign) would therefore nearly triple the current rate (WIIW, 2024).

Figure 1: The Trade Policy Uncertainty Index reached a record high in at the beginning of 2025, signalling increased downside risks to the economic outlook



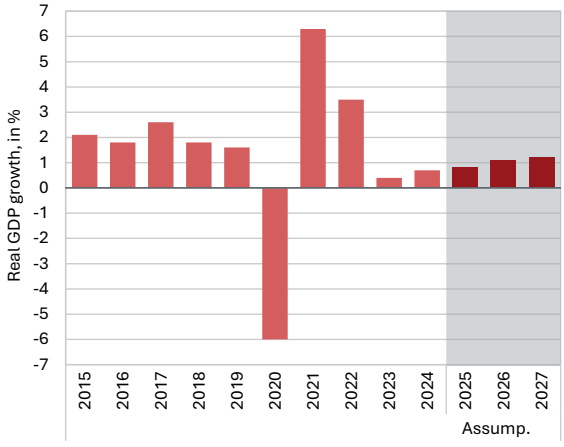
Source: Caldara et al. Note: Q1 2025 only includes data for January.

Figure 2: Composite PMI for the euro area improved at the beginning of the year



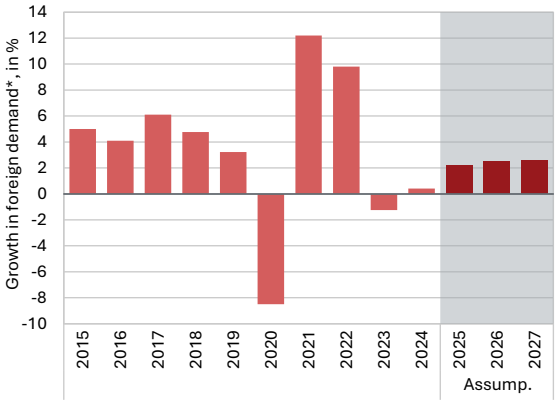
Source: S&P Global. Note: A reading above 50 signals an expansion, while a figure below 50 indicates a contraction.

Figure 3: Economic growth in the euro area will gradually strengthen in the next few years



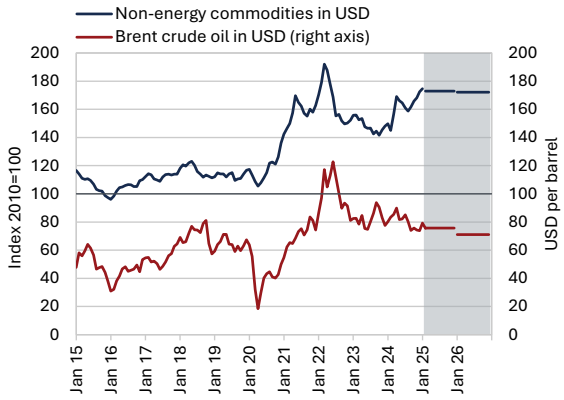
Source: Eurostat, IMAD assumption based on sources under Table 1.

Figure 4: Growth in demand on export markets will gradually strengthen



Source: Eurostat, IMAD assumption based on sources under Table 1.
Note: *Real imports of trading partners weighted by Slovenia's share of exports to these countries.

Figure 5: Oil prices are expected to decline over the forecast period, while non-energy commodity prices are projected to rise further this year



Source: Barchart, ECB, EIA, calculations by IMAD.
Note: Gray area indicates the annual average taking into account the assumption of the forecast for 2025 and 2026.

The technical assumption for energy prices in the period 2025–2027 is slightly lower than in the Autumn Forecast. Based on market expectations in futures markets between 20 and 31 January 2024, the technical assumption for the average Brent crude price underlying the forecast for 2025 was USD 75.7 per barrel (6% lower than in 2024), followed by a further decline in 2026 and 2027. Taking into account the technical assumption for the EUR/USD exchange rate, euro-denominated oil prices are expected to fall slightly less than dollar prices this year. A 7% increase is assumed in non-energy commodity prices in 2025, with price growth expected to moderate over the next two years.

Table 2: Assumptions for oil and non-energy commodity prices and the USD/EUR exchange rate

	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2025	February 2025
Brent crude prices, in USD	80.5	75.7	75.7	73.0	71.1	69.4
Brent crude prices, in EUR	74.4	69.3	72.7	66.9	68.3	66.7
Non-energy commodity prices, in USD, growth*	8.8	1.5	7.0	0.5	-0.5	-1.5
USD/EUR exchange rate	1.082	1.091	1.041	1.091	1.041	1.041

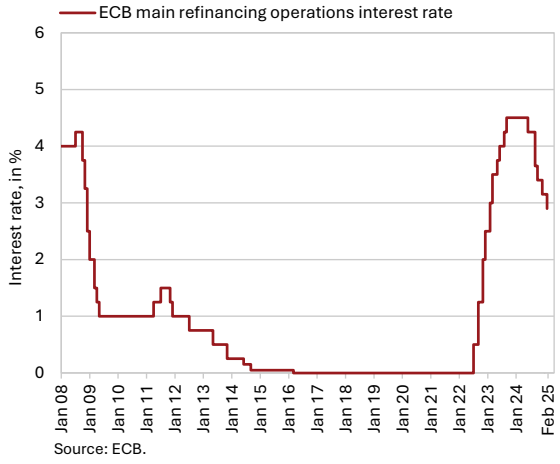
Sources: Barchart (2025), ECB (2025a), EIA (2025); IMAD estimate. Note: The assumptions are based on futures prices between 20 and 31 January 2025. *The structure of the euro area with regard to commodity consumption.

Inflation in the euro area has edged up slightly in recent months, reaching 2.5% in January, while core inflation (excluding energy and unprocessed food prices) has remained stable at 2.7%. The primary driver of inflation was service price inflation, which remained at around 4%, with fluctuations also influenced by measures to mitigate rising energy prices. At the beginning of 2025, the ECB continued its rate cutting cycle, having reduced interest rates five times between June last year and February this year.[5] This has already

[5] The interest rate for the main refinancing operations fell from 4.5% to 2.9% in this period.

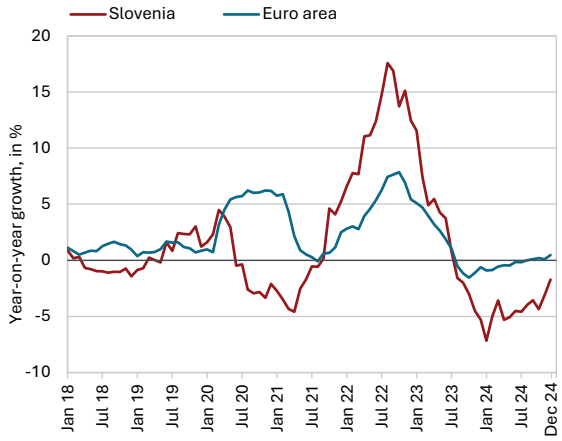
contributed to a decline in interbank interest rates. However, the ECB's bank lending survey (2025b) indicates that lending conditions in the euro area (including Slovenia) have not yet eased, except for housing loans. Corporate lending in the euro area stagnated last year (-0.5%), with an even sharper decline in Slovenia (-1.7%). Meanwhile, the ECB remains committed to normalising its monetary policy across other segments. The volume of securities under the Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP) has gradually and predictably declined as reinvestment of maturing principal payments has been discontinued. The targeted longer-term refinancing operations were terminated at the end of last year, with banks having fully repaid all borrowed funds.

Figure 6: ECB interest rate on the main refinancing operations was 2.9% at the beginning of February 2025



Source: ECB.

Figure 7: Corporate lending is subdued in both Slovenia and the euro area



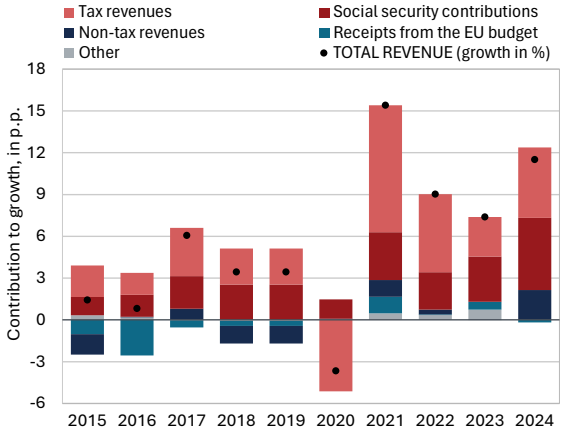
Source: BoS, ECB, calculations by IMAD.

Primarily due to lower expenditure on intervention measures, significantly increased revenues and lower investment expenditure, the general government deficit decreased in 2024.[6] After last year's downswing in government sector investments, a revival is expected this year and in the coming years. Expenditure on intervention measures, which the government has implemented since 2019 to mitigate the effects of various crises and natural disasters on multiple sectors of the economy and households, reached its lowest level in the past five years (estimated at around 1% of GDP). With energy market prices stabilising and energy sources remaining sufficiently available, only a few measures to mitigate rising energy costs remained in force in 2024, including price regulation and exemption from paying the RES and CHP contribution for households. The largest share of intervention expenditures last year was allocated to reconstruction following the August 2023 floods. Additional funds from the integral part of the budget and earmarked revenue (including the increased corporate tax rate and SSH fund) were also allocated to the Fund for the Reconstruction of Slovenia. The high level of available financing from various budgetary funds presents significant potential for financing investment

[6] According to consolidated general government budgetary accounts for 2024 (cash flow), the deficit last year totalled EUR 951.2 million (1.4% of GDP; 3.6% of GDP in 2023) and was the lowest in the last five years. The data for the general government sector (accrual basis) for the first three quarters of 2024 (EUR -686.2 million or 1.4% of GDP) also indicate a decrease in the deficit (2.6% of GDP in 2023).

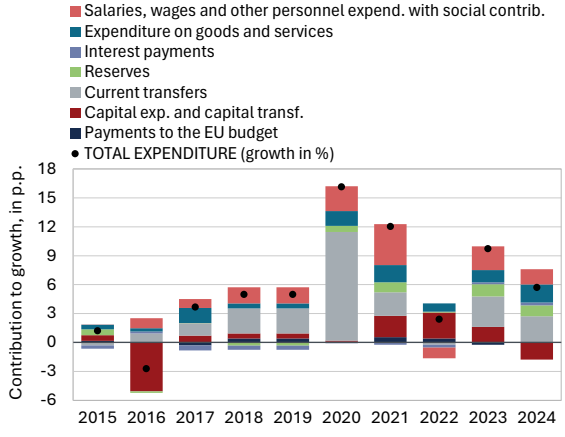
projects this year and in the coming years. Following last year's downswing, government investment is expected to increase again this year and beyond, also in view of the anticipated completion of RRP fund absorption in 2026 and a stronger push to accelerate the absorption of cohesion funds, with programme adjustments already underway.

Figure 8: General government deficit (according to the consolidated general government budgetary accounts) decreased in 2024, driven by stronger revenue growth...



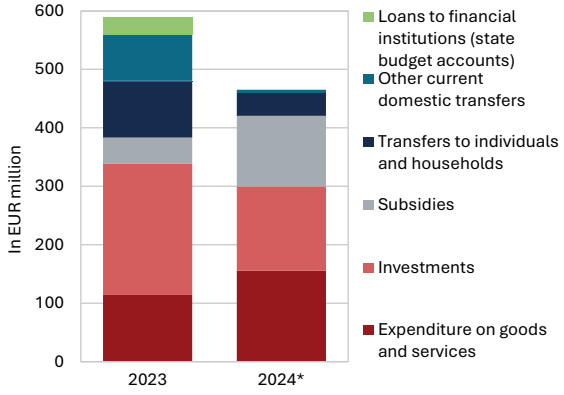
Source: MF; calculations by IMAD.

Figure 9: ...and lower expenditure growth than in 2023



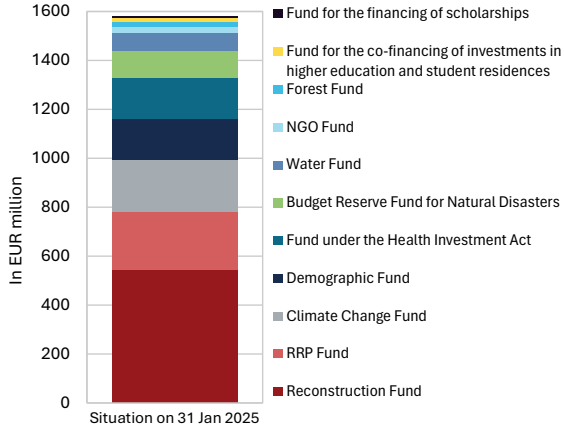
Source: MF; calculations by IMAD.

Figure 10: Last year, EUR 465 million was allocated from the state budget for flood reconstruction



Source: MF. Note: In 2024, in addition to the EUR 465 million paid from the state budget, a further EUR 261 million was allocated to the Fund for the Reconstruction of Slovenia.

Figure 11: The high level of finances available from various budgetary funds presents significant potential for financing investment projects this year and in the coming years



Source: MF, Budget funds, January 2025.

Box 1 Price and cost competitiveness indicators

Following a sharp deterioration during the energy shock, price competitiveness indicators have improved since mid-2023, while the growth of unit labour costs, particularly in manufacturing, has slowed. During the energy crisis, a cyclical decline in (real) productivity – particularly pronounced in manufacturing, especially energy-intensive sectors – combined with a sharp increase in nominal labour costs (driven by high inflation and labour shortages), led to a rapid rise in nominal unit labour costs (NULC).[7] This resulted in a decline in cost competitiveness (REERulc) and, as higher costs were passed on to prices, a deterioration in price competitiveness (REERhicp, REERppi),[8] both of which peaked in the first half of 2023. Since then, the two price competitiveness indicators have gradually improved. However, the improvement in cost competitiveness (REERulc) stalled at the overall economy level in 2024, largely due to a sharp decline in real productivity in construction. In manufacturing, however, the growth of nominal unit labour costs slowed by mid-2024, supported by a cyclical rebound in productivity growth.

The real unit labour costs[9] (RULC) indicator suggests a decline in profitability in 2024. Real unit labour costs, which are the mirror image of unit profits, also fell during the energy crisis, as nominal labour cost growth lagged behind nominal productivity growth, and rising nominal unit labour costs (NULC) were partially offset by price increases. However, since the end of 2023 real unit labour costs have been rising, suggesting that, unlike during the energy crisis, companies are now absorbing NULC growth more through profit margins rather than passing it on to prices to maintain price competitiveness.[10] The increase in RULC has been most pronounced in the construction sector, while in manufacturing, its growth slowed significantly by mid-2024.

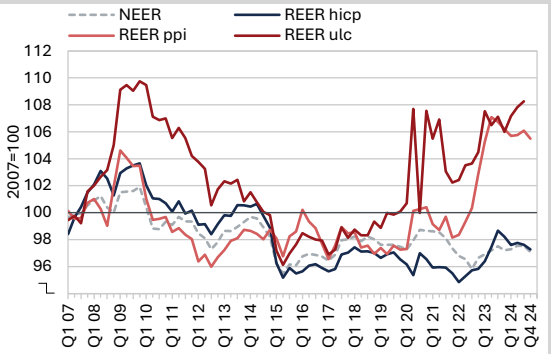
[7] Nominal unit labour costs represent the ratio of nominal compensation per employee to real productivity.

[8] Real effective exchange rate deflated by HICP (PPI, ULC). An increase in the indicator value means an appreciation of the euro and/or a rise in relative prices against a basket of 37 trading partners, weighted based on their significance in Slovenian trade in goods.

[9] Real unit labour costs represent the ratio of nominal compensation per employee to nominal productivity and, in simplified terms, reflect the share of labour costs in GDP or value added. They should not be confused with the REERulc cost competitiveness indicator.

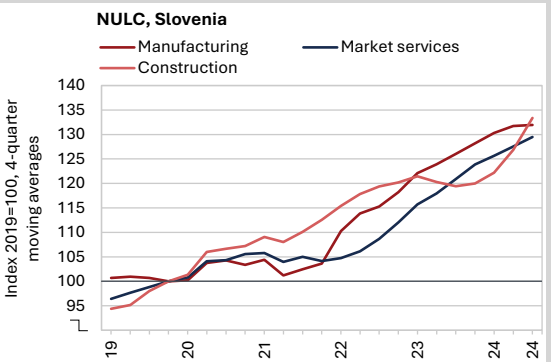
[10] Profitability indicators were at historically high levels in 2023.

Figure 12: Price competitiveness indicators have improved since mid-2023, while the cost competitiveness indicator remained high in 2024...



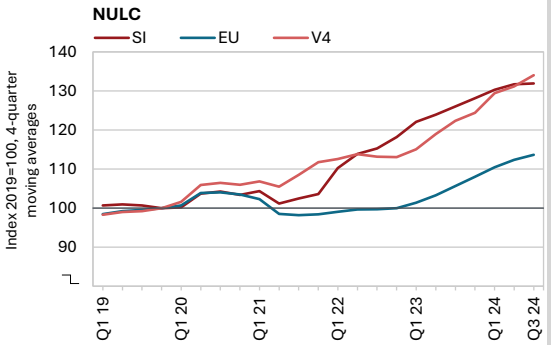
Source: ECB; calculations by IMAD. NEER - nominal effective exchange rate, REER hicp (ppi. ulc) - real effective exchange rate deflated by HICP (PPI, ULC). An increase in the indicator means an appreciation of the euro and/or an increase in relative prices against a basket of 37 trading partners' currencies, weighted according to their importance in Slovenia's trade.

Figure 13: ...mainly driven by an increase in (nominal) unit labour costs in construction...



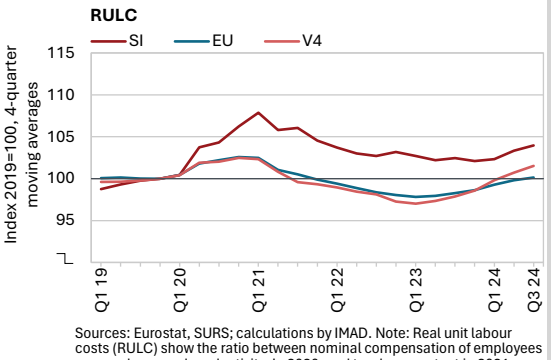
Source: SURS; calculations by IMAD. Note: Nominal unit labour costs show the ratio between nominal compensation of employees per employee and real productivity.

Figure 14: ...while NULC growth in manufacturing weakened in mid-2024



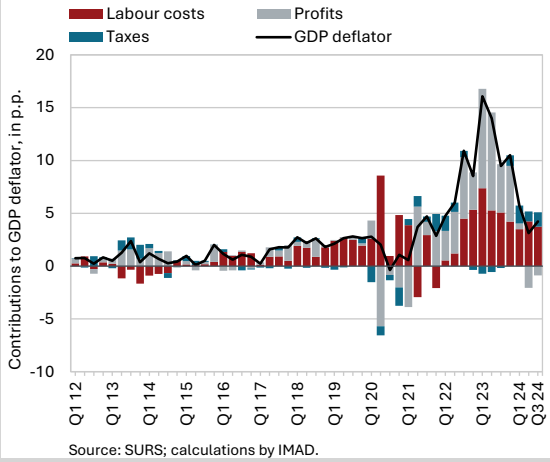
Source: Eurostat; calculations by IMAD. Note: Nominal unit labour costs (NULC) show the ratio between nominal compensation of employees per employee and real productivity.
V4 – the Czech Republic, Slovakia, Hungary, Poland.

Figure 15: Real unit labour costs rose slightly in 2024 after several years of decline



Sources: Eurostat, SURS; calculations by IMAD. Note: Real unit labour costs (RULC) show the ratio between nominal compensation of employees per employee and productivity. In 2020, and to a lesser extent in 2021, growth in the compensation of employees was supported by subsidies under COVID-19 relief packages. As a result, the unit labour cost indicator overestimated the actual cost pressures faced by companies during these years. V4 – the Czech Republic, Slovakia, Hungary, Poland.

Figure 16: Price pressures measured by the GDP deflator[11] continue to be driven by the sharp increase in labour costs, which companies have partly offset in the last year by reducing profits, which had been rising in previous years



Source: SURS; calculations by IMAD.

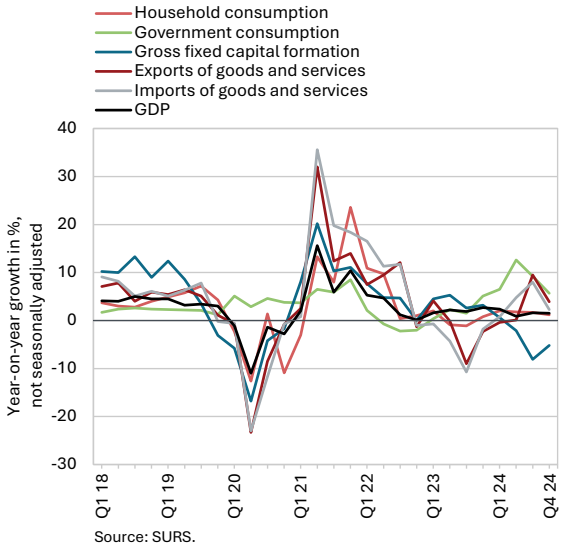
[11] The GDP deflator is a proxy for price growth in the domestic economy and may slightly differ from other measures of price pressures (e.g. the CPI) in certain periods. It is calculated as the ratio of nominal to real GDP. Based on GDP sub-components, their contributions to the GDP deflator can be calculated. Unit labour costs are calculated as (compensation of employees) / (real GDP), unit profits as (gross operating surplus + mixed income) / (real GDP) and unit taxes as (taxes on goods and services and taxes on production – subsidies) / (real GDP).

2 Spring Forecast of Economic Trends in Slovenia

2.1 Gross domestic product in 2024

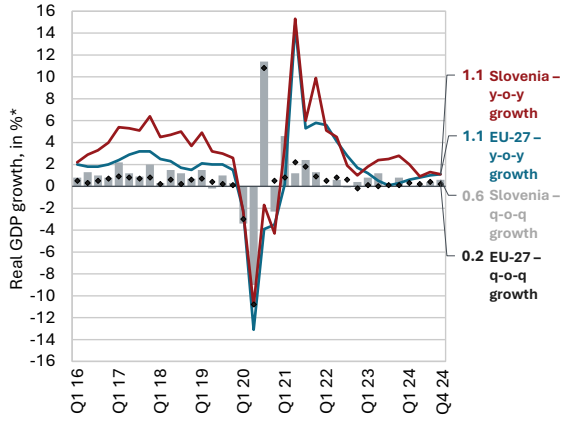
In 2024, gross domestic product (GDP) growth slowed to 1.6%, down from 2.1% in 2023. This slowdown was expected and broadly in line with IMAD's Autumn Forecast (1.5%). While export trends were significantly more favourable than anticipated last year, and private and government consumption matched the autumn forecast, investment activity – initially expected to stagnate – performed significantly worse than projected, with a sharp decline. Compared to the EU average, Slovenia's GDP growth in 2024 was 0.4 p.p. higher (seasonally and working-day adjusted data).

Figure 17: Economic growth slowed last year



Source: SURS.

Figure 18: In the last quarter of 2024, quarterly GDP growth in Slovenia was higher than in the EU, while year-on-year growth rates were the same. Over the entire year, Slovenia's GDP growth exceeded the EU average



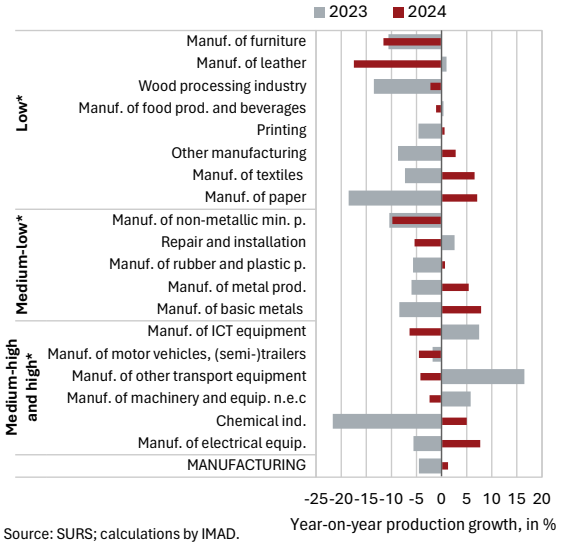
Sources: SURS, Eurostat.
Note: *seasonally and working-day adjusted data.

Total exports of goods and services rose by 3.2% last year after declining in 2023. Following strong growth in the third quarter, goods exports continued to decline in the fourth quarter, but overall annual growth (3.6%) clearly exceeded autumn expectations, despite uncertainty in manufacturing activities among Slovenia's main trading partners. Last year's increase in goods exports was primarily driven by chemical products, particularly pharmaceutical products, and, due to strong growth in the first half of the year, vehicles. Exports of electrical machinery and equipment and primary products (especially food) also increased compared to 2023. Value added in manufacturing rose by 3.1 %. According to IMAD's estimates, the manufacture of pharmaceutical products increased significantly, as has the manufacture of electrical equipment. Production of most energy-intensive industries also increased significantly following a decline during the energy crisis (see also Box 3), with the exception of manufacture of non-metallic mineral products, which can be attributed to a decline in domestic construction activity. The manufacture of machinery and equipment declined, as did the manufacture of motor vehicles, trailers and semi-

trailers, which contracted more significantly in the second half of the year (see also Box 2). After a decline in 2020–2022, Slovenia's market shares for goods in most key export markets (the EU, in particular Germany, Croatia and France) increased over the past two years.[12] Exports of services also increased last year, driven by higher exports of other business services and ICT services. Exports of transport (excluding electricity transmission), construction and, to a certain extent, tourism-related services – which had risen sharply in recent years during the post-COVID-19 economic recovery – declined.

Total imports of goods and services also rose last year (by 3.9%) after declining in 2023. Higher household consumption fuelled growth in imports of consumer goods, while increased activity in the export sector, in particular, boosted imports of intermediate goods. After two years of nominal growth, imports of capital goods declined. Growth in imports of services also increased, across most major categories. With import growth slightly outpacing export growth, the contribution of the foreign trade balance to economic growth was negative (-0.4 p.p.).

Figure 19: Production increased last year, especially in the manufacture of electrical equipment and energy-intensive industries (manufacture of metals, and chemical and paper industry)



Source: SURS; calculations by IMAD.
Note: *according to technological intensity.

Figure 20: Export growth in 2024 exceeded autumn expectations

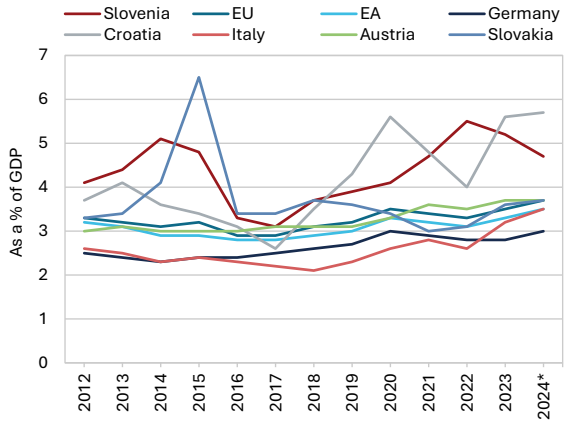
Source: SURS, calculations by IMAD.

After moderate growth in 2023, investments declined by 3.7% last year. While they increased slightly in the fourth quarter, overall investment activity for the year as a whole was significantly weaker than projected in the autumn, when stagnation had been anticipated. The volume of construction investments declined last year, particularly in the first three quarters, partly due to a drop in public investments, which nevertheless remained relatively high compared to other EU Member States. After fairly strong growth in 2023 (15%), government investment expenditure[13] fell by 9% last year, primarily due to the end of fund

[12] Data for the first three quarters of 2024.
[13] According to the consolidated general government budgetary accounts.

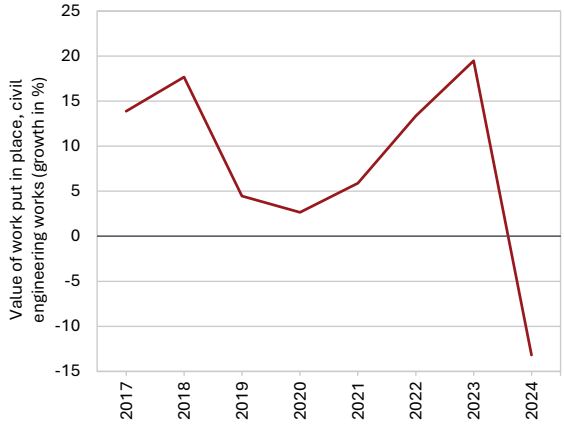
absorption under the previous financial perspective (2014–2020) and the COVID-19 recovery programme, REACT-EU. However, spending on new buildings, reconstructions and adaptations – areas most closely tied to construction activity – was 25% lower. Investments in equipment and machinery also declined last year, which can be attributed to the slow economic recovery in the international environment and the high level of uncertainty, including concerns over international trade policy. Overall private investment, particularly in residential construction and other buildings, was also affected by high interest rates.[14] Value added in construction, which rose significantly in the fourth quarter, fell by 1.4% over the year as a whole.

Figure 21: General government investment in Slovenia is estimated to have declined last year but remains higher than in the EU



Source: *for Slovenia IMAD estimate, for EU countries European Commission's Autumn Forecast 2024.

Figure 22: Civil engineering activity declined sharply last year



Source: SURS; calculations by IMAD.

Private consumption grew by 1.6% last year after stagnating in 2023. Amid lower price pressures compared to the previous year, the strengthening of private consumption was supported by higher real growth in gross disposable income at high employment, and relatively strong real growth of wages and social transfers. Households increased their spending primarily on new cars, tourist services abroad, food, beverages and tobacco products, as well as non-food products. The number of overnight stays by domestic tourists in Slovenia fell compared to 2023. In line with these trends, turnover growth in retail trade and motor vehicles sales increased, as did value-added growth in arts, entertainment, personal and sports activities. Turnover growth in accommodation and food service activities also remained relatively strong last year, supported by continued growth in arrivals and spending by foreign tourists.[15] The high household savings rate, which in recent years has been well above both pre-epidemic levels and the EU average,[16] increased slightly last year, according to our estimates. From a methodological perspective, the

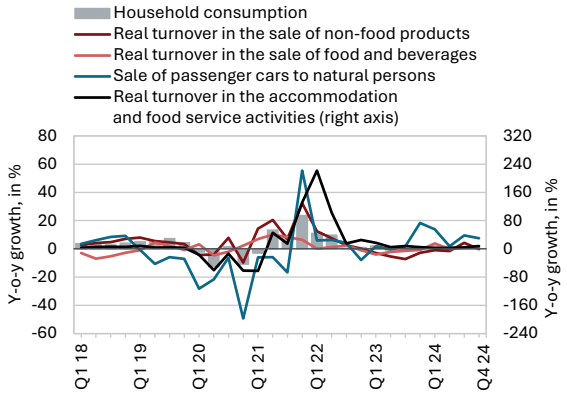
[14] Although interest rates started to decline in the second half of 2024, investments in buildings are characterised by a longer time span from idea to realisation, meaning that changes in interest rates also have a longer impact on activity in this part of the economy.

[15] The number of overnight stays by foreign tourists was up 7% year-on-year.

[16] It averaged 12% in the period 2009–2019 and 14.3% in 2023. Part of the increase in 2024 is due to a technical recalculation in connection with the transformation of health insurance. It stood at 13.2% in the EU in 2023.

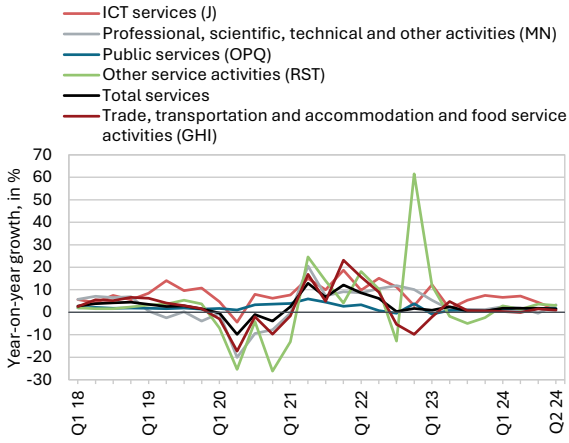
statistically recorded growth in private consumption in 2024 was affected by the abolition of supplementary health insurance (on 31 December 2023), which had previously financed private health expenditure and private consumption, and the introduction of a mandatory healthcare contribution, which now finances government expenditure. This change resulted in relatively lower growth in private consumption last year and higher growth in government consumption, while the overall effect on GDP was neutral.[17]

Figure 23: Last year, households spent more on the purchase of new vehicles, food and non-food products



Source: SURS, calculations by IMAD. Note: The Q4 2024 figure for the turnover in accommodation and food service is the average value for October and November.

Figure 24: Growth in value added in services was stable but relatively low last year



Source: SURS, calculations by IMAD.

The significant increase in the government consumption growth in 2024 (8.5%) was thus methodologically largely linked to the transformation of voluntary supplementary health insurance into a mandatory health insurance contribution, alongside increased expenditure on flood recovery and employment in the general government sector increasing. The mandatory health insurance contribution has now become a public source of healthcare funding (equivalent to 0.9% of GDP), while the former private expenditure has become public expenditure, mainly within government consumption categories. Additionally, higher growth in government spending on goods and services was driven by flood recovery efforts and an increase in the number of employees in the general government sector, which strengthened compared to the previous year (rising from 1.0% to 1.5%).

2.2 GDP forecast for 2025–2027

With the gradual recovery in foreign demand, exports of goods and services are expected to continue growing this year and in the coming years, albeit at a slower pace than before the pandemic and energy crisis. After last year's strong growth, which moderated markedly in the fourth quarter, goods export growth is expected to align more closely with foreign demand

[17] Without this change, private consumption growth would have been around 1.5 p.p. higher last year.

growth this year,[18] while services export growth will accelerate further. In the coming years, goods export growth will also be partly driven by high-technology activities, such as the completion of investments in the pharmaceutical sector and the launch of production for a new car model. In the context of efforts to maintain competitiveness, export growth is expected to slightly outpace foreign demand growth. Services exports are also projected to continue growing, supported by a rebound in transport services exports (excluding electricity transmission) after several years of decline, and ongoing growth in exports of tourism-related services. While goods import growth is expected to slightly outpace export growth this year and in the coming years – mainly driven by a recovery in investment and continued moderate growth in private consumption – the contribution of foreign trade to economic growth will remain largely neutral or slightly negative.

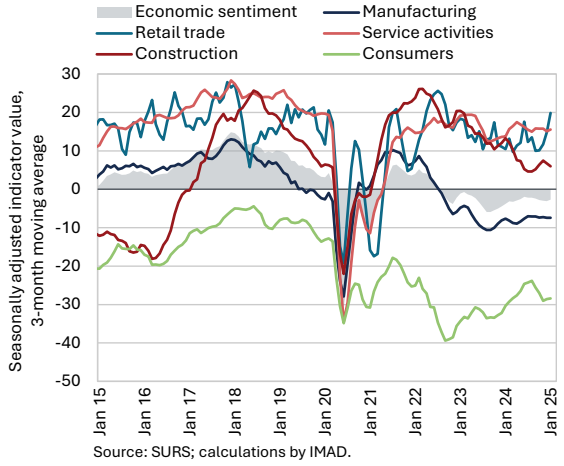
Table 3: Economic growth forecasts for 2025–2027

Real growth rates, in %	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2025	February 2025
Gross domestic product	1.6	2.4	**2.1**	2.5	**2.4**	**2.3**
Exports	3.2	2.7	**2.6**	3.7	**3.4**	**3.1**
Imports	3.9	3.0	**2.7**	4.1	**3.9**	**3.5**
External balance of goods and services (contribution to growth in p.p.)	-0.4	-0.1	**0.1**	-0.1	**-0.1**	**0.0**
Private consumption	1.6	2.5	**2.2**	2.4	**2.3**	**2.4**
Government consumption	8.5	1.7	**2.7**	4.1	**4.1**	**2.2**
Gross fixed capital formation	-3.7	3.5	**1.0**	3.5	**3.0**	**2.6**
Change in inventories and valuables (contribution to growth in p.p.)	0.3	0.0	**0.0**	-0.1	**0.0**	**0.0**

Source: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.

[18] From a technical perspective, the higher exports growth will also be influenced by an increased number of working days.

Figure 25: Although economic sentiment remains higher than a year ago, it has been below the long-term average for nearly two years

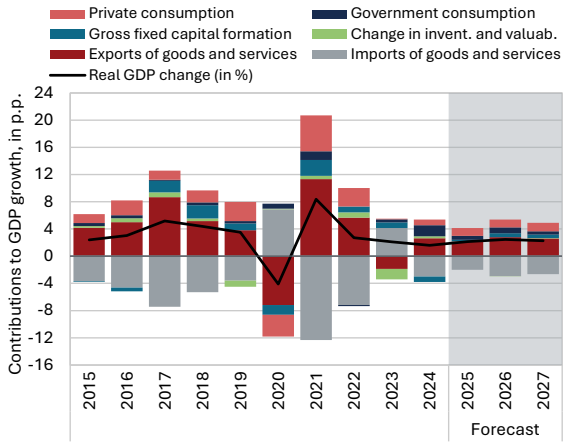


Source: SURS; calculations by IMAD.

The growth in value added in manufacturing is expected to continue in 2025 and 2026, as well as in market services, particularly in knowledge-intensive. In 2025, growth will continue to be driven by the pharmaceutical industry, while energy-intensive industries will see more moderate growth following a significant rebound in 2024 after the energy crisis downturn. A notable recovery in the automotive industry is not yet expected in 2025, and low-technology industries are also projected to experience only modest productivity growth.[19] Similar to goods exports, manufacturing trends will be positively influenced in 2026 by (i) investments in the production of a new passenger car model (with further boosts expected in 2027, following the introduction of another new car model) and (ii) the launch of production in a new pharmaceutical plant. Continued strong growth is also expected in some market services, particularly in information and communication services.

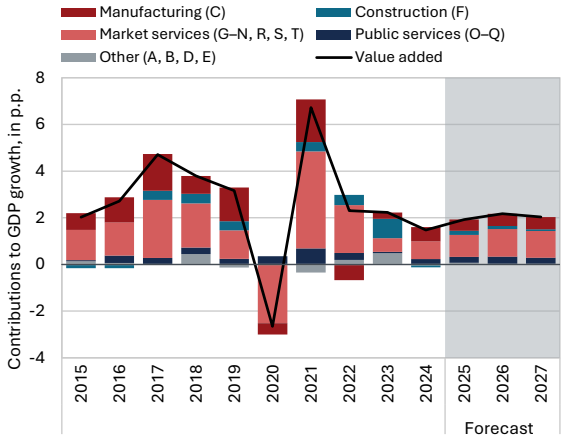
[19] Industrial sector activities are classified into four categories according to technological intensity: (i) high-technology pharmaceutical industry (C21) and manufacture of ICT equipment (C26); (ii) medium-high technology chemical industry (C20), manufacture of electrical equipment (C27), manufacture of machinery and equipment n.e.c. (C28), and manufacture of motor vehicles and other transport equipment (C29–30); (iii) medium-low technology manufacture of coke and refined petroleum products (C19), manufacture of rubber and plastic products (C22), manufacture of other non-metallic mineral products (C23), manufacture of basic metals (C24–25), and repair and installation of machinery and equipment (C33); and (iv) low-technology manufacture of food products (C10–11), manufacture of tobacco products (C12), manufacture of textiles and wearing apparel (C13–14), manufacture of leather (C15), manufacture of wood (C16), manufacture of paper and printing (C17–18), and manufacture of furniture and other manufacturing (C31–32).

Figure 26: Contributions of consumption aggregates to GDP growth



Source: SURS, IMAD forecast.

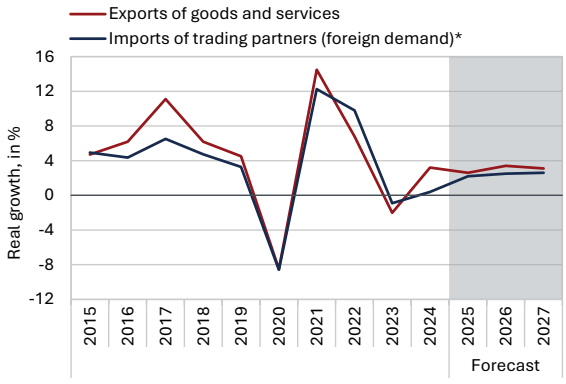
Figure 27: Contributions of value added growth to GDP growth, by activity



Source: SURS, IMAD forecast.

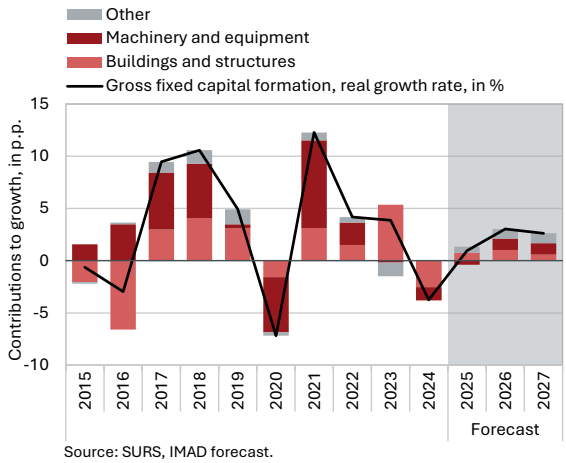
After last year's decline, gross fixed capital formation is forecast to grow by 1.0% in 2025, followed by 3.0% growth in 2026. Government investment activity is expected to increase, supported by the funds from the Recovery and Resilience Plan (RRP) and the Fund for the Reconstruction of Slovenia, established in response to the 2023 floods. Private sector investment growth is expected to remain low. The modest economic recovery in Slovenia's main trading partners, coupled with significant uncertainty surrounding protectionist measures and the broader international trade regime, is negatively affecting investment, particularly in export-oriented sectors such as manufacturing and transport. Investment decisions will also be influenced by higher tax burdens. Some impetus is expected to come from lower interest rates, particularly affecting residential construction investments, albeit more in the medium term. According to data on building permits issued by administrative units, the planned number of new homes fell last year for the second year in a row.

Figure 28: Growth in exports of goods and services is expected to follow foreign demand growth this year



Source: SURS, IMAD forecast for exports and IMAD assumption for foreign demand based on sources under Table 1.
Note: *Real imports of goods and services of the trading partners weighted by Slovenia's share of exports to these countries.

Figure 29: Investment is expected to grow again this year and in the coming years

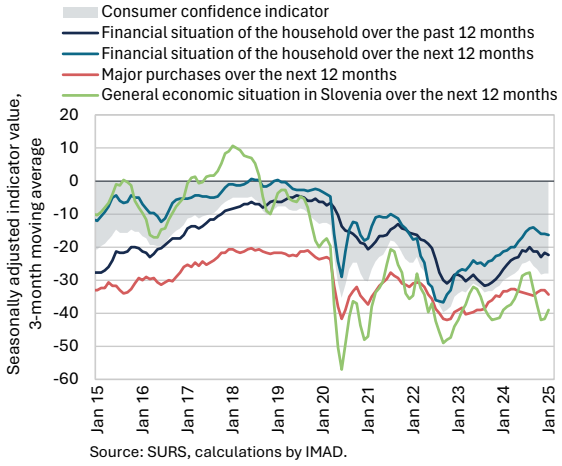


Source: SURS, IMAD forecast.

Private consumption growth is projected to be 2.2% this year[20] and is expected to remain largely unchanged over the next two years. Further relatively high growth in real disposable income is anticipated this year, in line with expected labour market developments and wage and other income growth. Growth in household spending is expected to positively impact turnover growth in trade, along with slightly higher consumption growth in tourism- and leisure-related services, such as accommodation and food service activities, as well as arts, entertainment, personal and sports activities. This will be driven not only by increased spending from Slovenian nationals but also by continued growth in consumption by foreign tourists. At the same time, caution in spending is expected to persist, with a high propensity to save remaining well above the pre-epidemic average. In recent months, consumer confidence surveys have indicated a slight increase in uncertainty about the future, influencing consumers' purchasing and saving decisions. Similar growth in private consumption (2.3% or 2.4%) is expected to continue over the next two years, driving further sales growth in trade, accommodation and food service activities, as well as arts, entertainment, personal and sports activities.

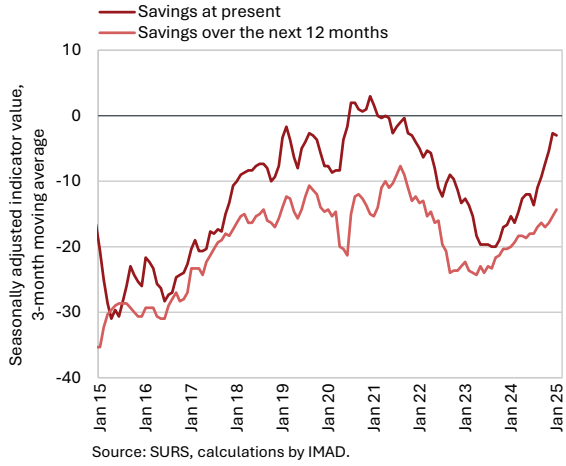
[20] Real growth is higher than last year, although last year's growth was methodologically influenced by the reform of supplementary health insurance, which reduced private consumption growth.

Figure 30: Consumer sentiment deteriorated at the beginning of 2025...



Source: SURS, calculations by IMAD.

Figure 31: ...expectations regarding future savings have strengthened further



Source: SURS, calculations by IMAD.

In 2025, growth in government consumption is expected to be more moderate (2.7%) compared to last year.[21] In 2026 and 2027, its dynamics will be influenced by the introduction of new rights under the new long-term care system. As in 2024, continued flood recovery is expected to impact growth in spending on goods and services and thus overall government consumption (not just investment). The first effects of the new rights introduced under the Long-Term Care Act (ZJF-H, 2018) – including e-care, home care and services to promote and maintain independence – are expected to emerge as of mid-2025.[22] In 2026, the full implementation of the act is expected to lead to a slight rebound in government consumption (4.1%), driven by the introduction of the cash benefit for long-term care in institutional settings.[23] The overall impact will also depend on the availability of staff to provide long-term care services at home. Growth in government consumption is expected to slow again in 2027 (2.2%). The average employment growth in the general government sector is projected to be around 1.2% in 2026 and 2027.

[21] The slowdown in real government consumption growth in 2025 compared to 2024 will be more pronounced than the slowdown in nominal growth. This is driven by significant wage increases in the government sector following the implementation of salary system reform, which affect only nominal growth in this aggregate. Additionally, the sharp slowdown in real growth is partly due to the methodological impact of last year's transformation of supplementary health insurance, which boosted government consumption growth.

[22] The new services will be funded through a new social contribution for long-term care.

[23] While this right will be introduced from 1 December 2025, the financial impact will mainly be felt in 2026.

Box 2 Trends in the automotive industry in Slovenia and the EU[24]

Since 2018 in Slovenia and 2019 in the EU, trends in the automotive industry[25] have been predominantly negative, influenced by various internal and external (structural) factors. Stricter emission tests and the EU's 2018 agreement on CO_2 emission targets have accelerated the supply of hybrid and electric cars, alongside rising competition from abroad, particularly China. Demand for these vehicles has increased due to various incentives (subsidies, tax relief, and lower certain other charges) introduced by EU Member States. However, as demand for combustion-engine passenger cars has declined, overall passenger car demand in the EU[26] in 2024 was comparable to 2014 levels. Since 2019, the European automotive industry has been further affected by (i) the COVID-19 pandemic, (ii) supply chain disruptions and energy shocks, (iii) the resulting rise in car prices and (iv) the uncertain geopolitical situation and economic policies of other countries (ACEA, 2024b; De Santis et al., 2024).

In Slovenia, the manufacture of motor vehicles, trailers and semi-trailers (C29)[27] has declined in recent years, and its structure has also changed significantly. In 2022, activity in C29 in Slovenia decreased by 10%, followed by declines of approximately 2% in 2023 and 4.5% in 2024.[28] The largest contributor to the decline in production in Slovenia was the manufacture of motor vehicles, significantly influenced by one major passenger car manufacturer, which has more than halved its production and workforce in recent years. The manufacture of electrical and electronic equipment for motor vehicles has also declined. In contrast, the manufacture of bodies (coachwork) for motor vehicles, and the manufacture of trailers and semi-trailers has grown more intensively since 2015, leading to significant structural changes within C29. The manufacture of other parts and accessories for motor vehicles, already the most important division within C29, has further increased its share (from 39.5% in 2019 to 46.2% of C29's value added in 2023). Together with the manufacture of bodies (coachwork) for motor vehicles, and manufacture of trailers and semi-trailers – whose share rose from 10% in 2015 to 24.7% – these segments accounted for around 70% of C29's total value added in 2023. Meanwhile, the share of motor vehicle manufacturing has halved from 30% to 15% since 2018, and the share of manufacture of electrical and electronic equipment for motor vehicles has also declined – from around 25% during

[24] Based on the forthcoming short analysis by IMAD (Nenadič Senica et al., n. d.).

[25] Beyond the manufacture of motor vehicles, trailers and semi-trailers (C29, the so-called "narrow automotive industry"), automotive industry also includes segments of some other manufacturing activities related to the narrow automotive industry (e.g. metal, rubber, textile and chemical industries; the so-called "wider automotive industry").

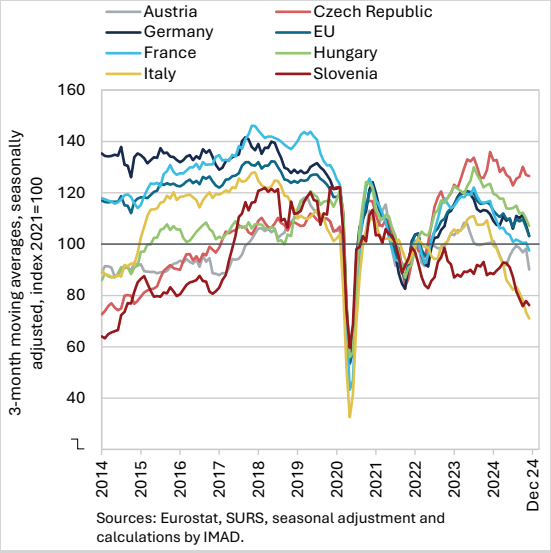
[26] New passenger car registrations according to ACEA (2024a) data.

[27] C29 includes the manufacture of motor vehicles (C29.100), the manufacture of bodies (coachwork) for motor vehicles, manufacture of trailers and semi-trailers (C29.200), the manufacture of electrical and electronic equipment for motor vehicles (C29.310), and the manufacture of other parts and accessories for motor vehicles (C29.320).

[28] Trends in C29 activity in Slovenia and exports in 2022 and 2023 were significantly influenced by the activity of Slovenia's largest passenger car manufacturer. Passenger car production has more than halved in recent years, driven by the discontinuation of a vehicle model and a decline in demand. Additionally, the downturn in C29 activity among Slovenia's key trading partners (Germany, France, Italy, Austria) had a negative impact on the production and exports of automotive parts and equipment and other activities or products related to the automotive industry.

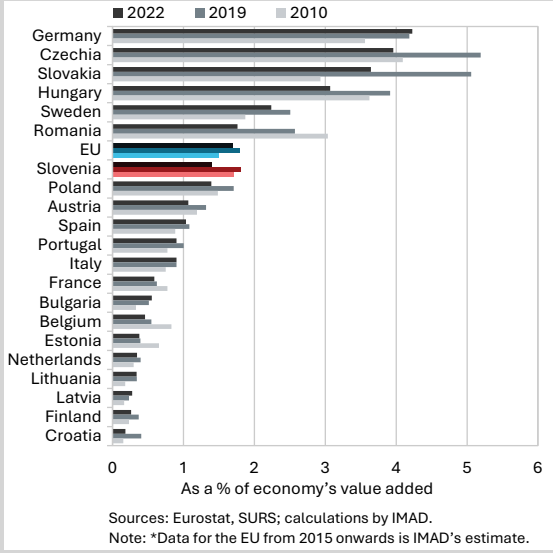
2008–2015 to 13.5% in 2023. In the EU, C29 activity saw a modest recovery in 2022, followed by a sharp rebound in 2023, before declining by around 8.2% in 2024.

Figure 32: Production volume in C29 activity has been gradually declining since the epidemic in Slovenia and since mid-2023 in the EU



Sources: Eurostat, SURS, seasonal adjustment and calculations by IMAD.

Figure 33: Slovenia ranks slightly below the EU average in terms of C29 in the share of value added in the economy, but above most euro area countries



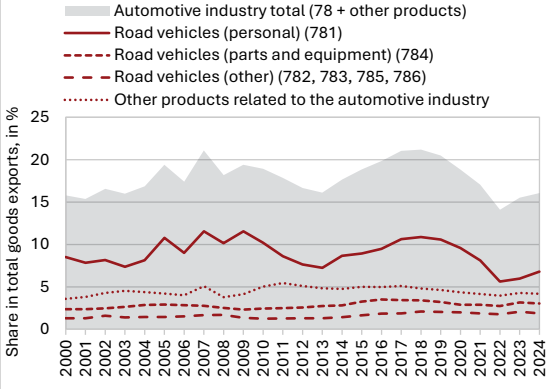
Sources: Eurostat, SURS; calculations by IMAD.
Note: *Data for the EU from 2015 onwards is IMAD's estimate.

The share of C29 in the manufacturing sector's value added, employment and total value added in the economy is slightly below the EU average, peaking in 2018 and 2017 respectively, before declining. With the decline in activity, the share of C29 in total value added in manufacturing in Slovenia fell to 6.5% by 2023 (from 8.2% in 2018). In the EU, it stood at 10.4% in 2022, slightly below its 2017 peak (11.5%). C29 holds a particularly significant share in Germany, the Czech Republic and Slovakia, where in 2022 it accounted for around a quarter (Germany, Czech Republic) and a fifth (Slovakia) of total manufacturing value added. In Slovenia, the share of C29 in the total economic value added fell from an average of 1.8% in the last decade to 1.4% in 2023, a similar level to that before 2008. In most EU Member States, the share of C29 in total economic value added has also declined slightly in recent years (to 1.7% on average in the EU), but has mostly remained above the long-term average. Employment in C29 has also declined in recent years, dropping in Slovenia from 7.9% of all persons in employment in manufacturing in 2020 to 7% in 2023, and in the EU from 8.7% in 2018 to 8.1% in 2022. According to the Statistical Register of Employment (SRDAP), the number of persons employed in C29 in Slovenia continued to decline in 2024 (-4.7%).

After declining between 2020 and 2022, road vehicle exports nearly returned to 2019 levels in 2024, and the export market share of road motor vehicles on the EU market began to strengthen in the second half of 2023. Road vehicle exports (SMTK78) – which, like C29, also include components and spare parts – declined between 2020 and 2022, but then

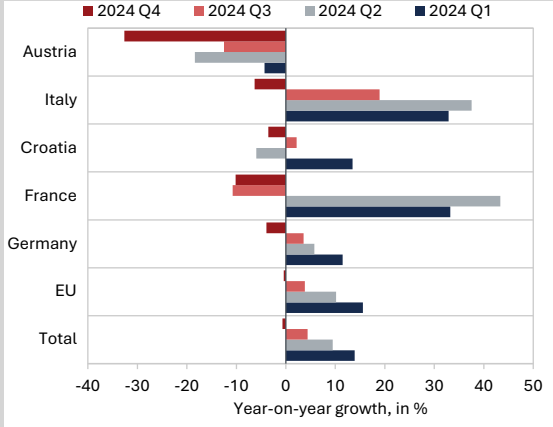
began to recover and was higher year-on-year (5.8%) in 2024. The rising value of passenger car exports in the first half of the year, particularly to France, contributed significantly to this growth, with exports to Italy and Germany also increasing. In the second half of the year, particularly in the fourth quarter, road vehicle exports continued to decline month-on-month (seasonally adjusted). However, after steady growth in previous years, exports of components and spare parts declined in 2024, which can be attributed to uncertainties in the automotive industry among Slovenia's main partners. Exports of products related to the automotive industry, which do not fall under SITC78, have also decreased slightly.[29] Road vehicles (SMTK78) are the most important product group in Slovenian exports,[30] and their share is gradually decreasing. The export structure of this group has also changed between 2020 and 2024 (as has production in C29), with the share of final motor vehicle production[31] declining in favour of more specialised vehicle components, spare parts and equipment, while the share of mobile home exports is also increasing. Slovenia's export market share of road vehicles on the EU market has been increasing since the second half of 2023, after several years of decline from 2019. In the passenger car segment, EU imports grew faster than Slovenian exports between 2019 and 2023, resulting in a significant decline in Slovenia's market share for these products. Slovenia is gradually increasing its market share in motor vehicle spare parts and equipment.

Figure 34: The share of road vehicle exports and vehicle-related products in total goods exports has been declining over the years



Sources: SURS, UN Comtrade, ECB; calculations by IMAD. Notes: SITC classification, nominal. Data adjusted for the estimate of goods processing in connection with the trade in pharmaceutical products with

Figure 35: In 2024, exports of road vehicles increased mainly to Italy and France



Source: SURS; calculations by IMAD.

[29] In addition to road vehicles, other products related to the automotive industry are classified under SITC sections 62, 65, 69, 71, 77 and 82 (e.g. certain rubber products, metal products, electrical equipment). According to rough estimates, these products have accounted for an additional 4.2% of total goods exports in recent years.

[30] At the same time, the share of exports of automotive-related products in total goods exports is much higher than the share of the automotive industry in manufacturing value added, as exports are measured on a gross basis, including not only domestic value added but also value added imported from abroad.

[31] The activity of Slovenia's largest passenger car manufacturer has a significant impact on the development of passenger car exports, which make up the largest share of motorised passenger car exports.

The automotive industry is of great importance for the Slovenian economy, with the total value added created by C29 and related suppliers in 2020[32] estimated at around 3.9% of GDP. To gain a more accurate understanding of the automotive industry's significance for the Slovenian economy, an input-output analysis based on TiVA (OECD, 2025) was used to estimate the value added generated by the manufacture of motor vehicles, trailers and semi-trailers (C29) and by direct suppliers of the Slovenian and foreign narrow automotive industry. According to initial estimates, the share of value added related to the global automotive industry in the Slovenian economy amounted to 3.9% of GDP in 2020. The value added of C29 totalled 1.8% (0.2 p.p. less than the previous year). The share of value added supplied by Slovenian economy sectors (excluding C29) directly to domestic and foreign C29 was higher and unchanged year-on-year (2.1%). The industries most closely linked to domestic and foreign C29 include the rubber and plastics industry, metal industry, manufacture of machinery and equipment n.e.c., and manufacture of electrical equipment.

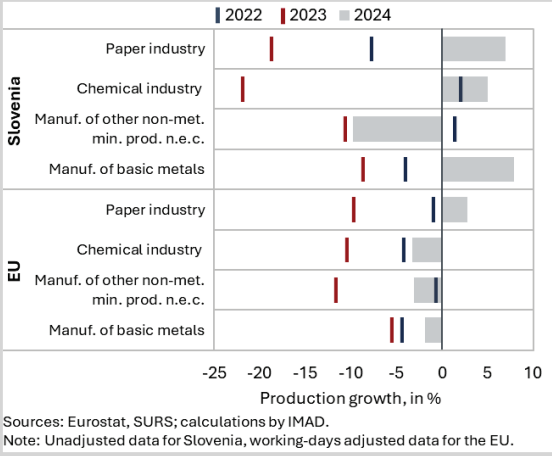
[32] The latest available data from the OECD's World Input-Output Table (OECD, 2025).

Box 3: Production in energy-intensive manufacturing activities in Slovenia and the EU[33]

In both Slovenia and the EU, production volume in energy-intensive industries (EIIs) declined during the energy crisis but began to recover in 2023 and 2024, respectively. Slovenia, having experienced a deeper decline, rebounded faster and more broadly than the EU, although in both cases, output remains below 2021 levels. Following a sharp rise in energy prices due to sanctions imposed on Russia after its attack on Ukraine in early 2022, EII production in the EU and Slovenia declined in the second half of 2022 and further in 2023. In Slovenia, the decline in 2022 was largest in the paper industry, with a drop much greater than that seen in the EU. In 2023, the decline again exceeded that of the EU, and in the same year, the chemical industry in Slovenia also experienced a sharper decline than in the EU, following a slight increase in production in 2022. The decline in the manufacture of other non-metallic products, where production in Slovenia also increased slightly in 2022, was comparable to the EU's decline in 2023. The manufacture of metals in Slovenia recorded a similar decline in 2022 to that of the EU, followed by a slightly sharper drop in 2023. In 2024, most Slovenian EIIs have already increased production compared to the previous year, with the exception of manufacture of other non-metallic mineral products n.e.c., which was affected by more modest domestic construction activity. The chemical industry has also exceeded 2019 production levels. In contrast, 2024 production in most EIIs in the EU continued to decline, except for the paper industry, which experienced growth – a trend observed across all Slovenia's key euro area trading partners. Additionally, in the EU, the paper industry's output fell less below 2019 and 2021 levels compared to Slovenia. Similarly, the gap with the 2019 and 2021 levels in the EU was smaller in the manufacture of other non-metallic mineral products.

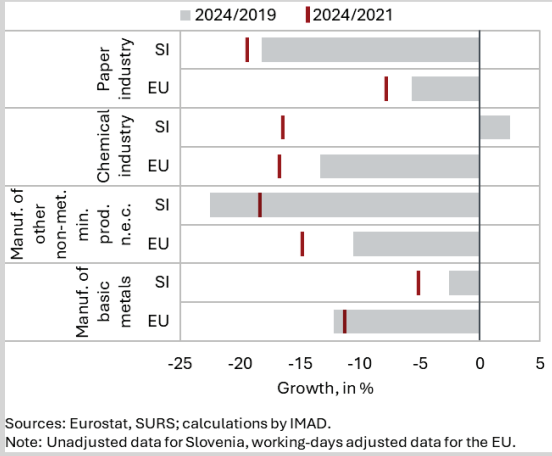
[33] The paper industry C17, chemical industry C20, manufacture of other non-metallic mineral products n.e.c. C23, manufacture of basic metals C24.

Figure 36: EII production in Slovenia mostly increased in 2024



Sources: Eurostat, SURS; calculations by IMAD.
Note: Unadjusted data for Slovenia, working-days adjusted data for the EU.

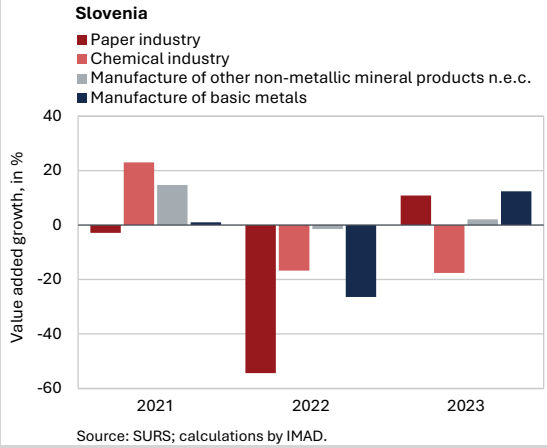
Figure 37: EIIs in both Slovenia and the EU lag behind pre-energy crisis production levels and mostly also behind the 2019 levels



Sources: Eurostat, SURS; calculations by IMAD.
Note: Unadjusted data for Slovenia, working-days adjusted data for the EU.

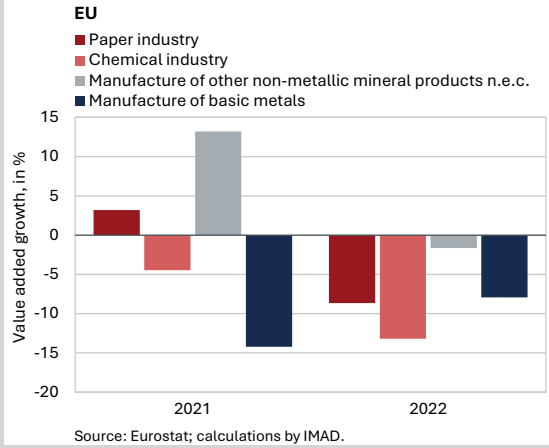
The share of EIIs in manufacturing value added has been declining since 2015 in Slovenia and since 2008 in the EU. However, the drop in EII value added, especially in 2022, has not significantly affected this trend. Similar to production volume, the energy crisis led to a decline in the value added of EIIs. In Slovenia, the decline in EII value added in 2022 (excluding other non-metallic mineral products) was stronger than the average of the manufacturing sector. However, this was followed by relatively stronger growth in 2023 in the paper and metal industry, so that the overall share of EIIs in manufacturing value added in 2023 did not change significantly compared to the period before the energy crisis. In 2023, only value added in the chemical industry continued to decline, reaching its lowest share of manufacturing value added in the entire observation period (since 1995). In the EU, EII value added also declined in 2022 (latest available data).[34] As in Slovenia, the decline was most pronounced in the paper industry, while the importance of EII in the EU has not changed significantly despite the decline during the energy crisis.

Figure 38: The decline of value added of EIIs during the energy crisis in Slovenia...



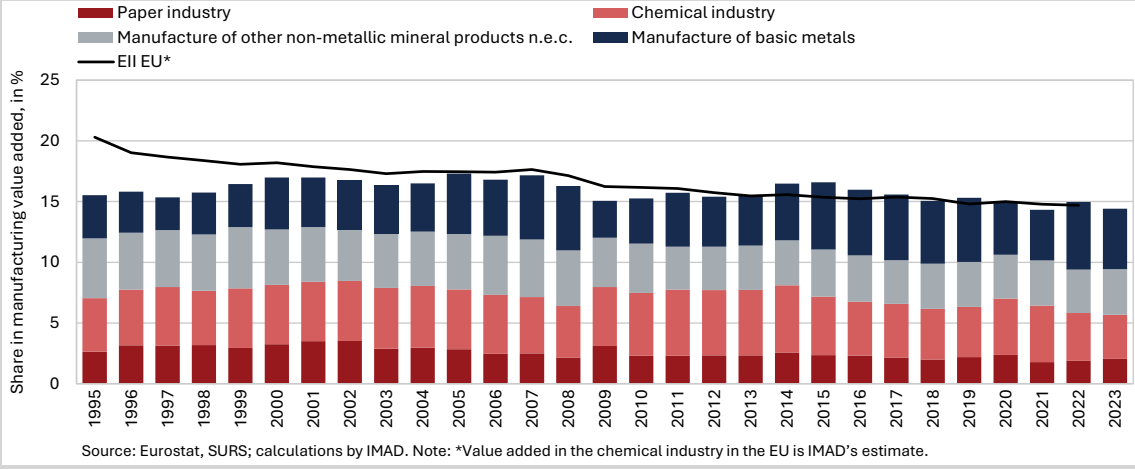
Source: SURS; calculations by IMAD.

Figure 39: ...and in the EU



Source: Eurostat; calculations by IMAD.

Figure 40: ...did not have a significant impact on their share of value added in manufacturing



Source: Eurostat, SURS; calculations by IMAD. Note: *Value added in the chemical industry in the EU is IMAD's estimate.

[34] Data for the chemical industry (C20) are not available for the EU. Based on the available data by Member State, it is estimated that its share in manufacturing value added is higher in the EU than in Slovenia, and that in 2022 it fell to the smallest share over the observation period.

2.3 Employment and unemployment

After slowing down in 2022 and 2023, employment growth[35] nearly came to a halt last year and employment reached a record high. With the post-COVID-19 economic rebound, employment growth was strong in 2021, particularly in the first half of 2022, before beginning to slow (Figure 41). The growth of total employment almost came to a standstill last year (0.1%) amid lower growth in economic activity and labour shortages, and in the fourth quarter it was already negative year-on-year (-0.3%).[36] In most service activities, employment increased on average over the year, while it fell particularly in manufacturing and construction (Figure 42). The share of companies increasing the number of employees significantly decreased last year and was equal to the share of companies that reduced their workforce (Figure 43).[37] According to estimates, labour hoarding and precautionary employee retention, which characterised the 2021–2023 period (partly supported by high corporate profits), weakened significantly in 2024, as reflected in the lower value of the labour hoarding indicator (Figure 45).[38] Despite the easing of cyclical pressures on labour demand (Figure 46), companies continue to face labour shortages, which are structural in nature (see Box 4).[39] Long-term staff shortages are affecting business performance, as reported by more than half of all companies in construction and one-third in manufacturing and services (Figure 47). For several years, the recruitment of foreign labour has been the primary source of new employment. In 2024, the number of foreign workers increased by 9.8% (48.7% higher than in 2019), accounting for approximately 15.8% of total labour force by year-end (Figure 48).[40]

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[35] Employment according to the national accounts statistics, covering all forms of work.

[36] Employment reached a record high at the end of 2023 (1.106 million people), followed by a decline of just under 4,000 people by the fourth quarter of 2024. According to the Statistical Register of Employment (SRE), year-on-year growth in the number of persons in employment was negative in December 2024 (-0.3%), after having been positive in the previous months (1.1%). In December, the number of persons in employment fell month-on-month in all activities, with the sharpest declines recorded in construction, manufacturing and administrative and support service activities, which include employment agencies. The sharp decline in the number of persons in employment in December was evident among both domestic citizens and foreign workers. A notable decrease was also observed in the 55+ age group. This is likely linked to economic uncertainty, as companies often first reduce the volume of more flexible forms of work by not renewing fixed-term contracts, while overall employment levels are also affected by retirements. Nevertheless, in half of the activities, year-on-year employment growth was maintained even in December.

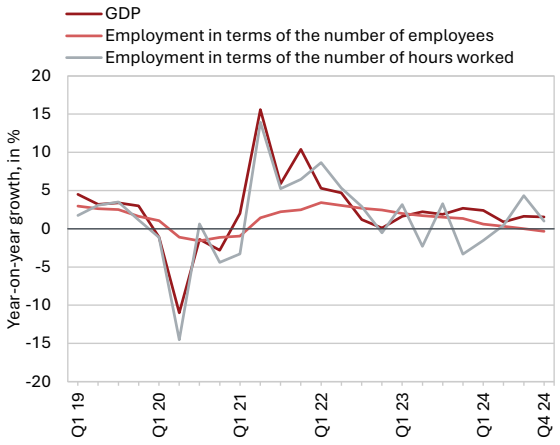
[37] Except during the COVID-19 pandemic, the share of companies that reduced employment year-on-year was the highest since 2013, while the share of companies that increased employment was the lowest.

[38] The labour hoarding indicator measures the gap between companies' negative expectations regarding business prospects and employment growth. It is part of the business sentiment indicator measuring the percentage of managers who expect their company's sales, demand or production to decline while employment remains the same or increases. This gap was particularly pronounced during the COVID-19 pandemic, when job retention measures, among other things, helped maintain existing employment levels despite a negative business outlook. In 2022 and 2023, the elevated level of this indicator was influenced by precautionary hiring or employee retention due to labour shortages and the growing awareness that companies would later have difficulty finding new employees if they were to reduce their workforce. High profits also enabled demand for labour. The indicator fell to its long-term (pre-crisis) level in the second half of last year, suggesting that, amid domestic and international uncertainties, companies are increasingly willing to adjust their hiring intentions accordingly.

[39] Even before the COVID-19 pandemic, companies were finding it increasingly difficult to find the right employees. With the rapid post-COVID-19 recovery, the labour shortages peaked at the end of 2022 and have gradually eased since then.

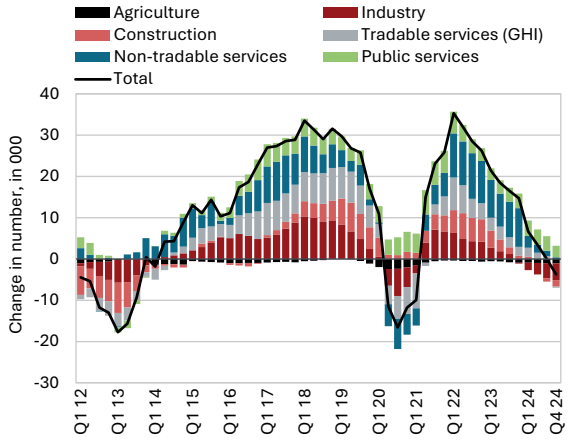
[40] Foreign workers are mainly employed in labour-intensive industries such as construction, accommodation and food service activities, and transportation and storage.

Figure 41: Amid lower growth in economic activity, employment growth initially slowed and then came to a standstill last year



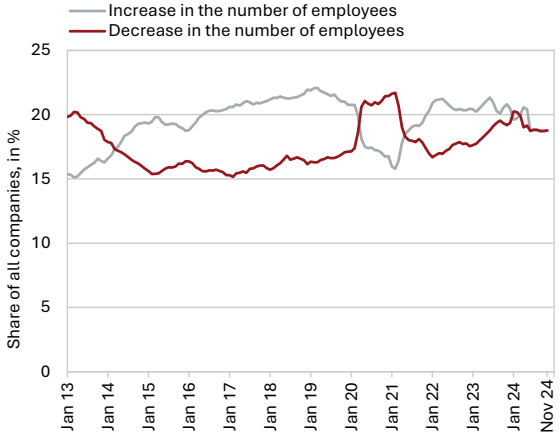
Source: SURS.

Figure 42: Employment declined especially in labour-intensive service activities, manufacturing and construction



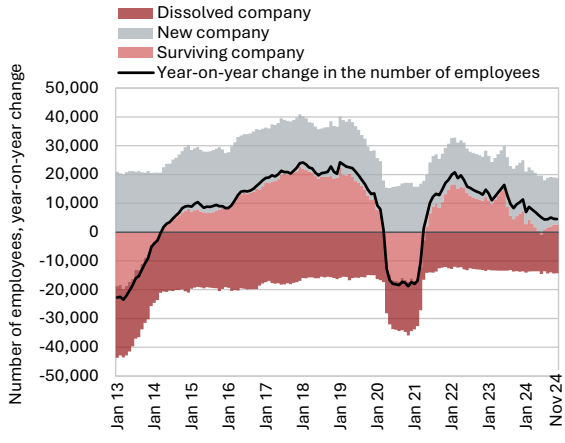
Source: SURS.

Figure 43: The share of companies where the number of persons in employment has increased has fallen in the last two years and was similar to the proportion of companies where the number of persons in employment has decreased[41]



Source: SURS; calculations by IMAD.

Figure 44: Growth in the number of persons in employment has slowed recently, particularly among surviving companies[42]



Source: SURS; calculations by IMAD.

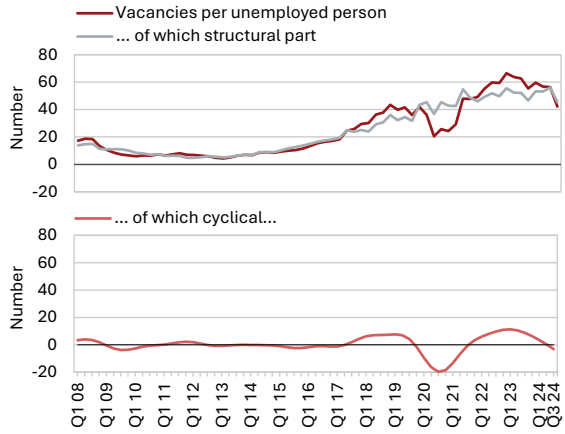
[41] The chart shows the share of companies in the private sector where the number of employees has increased or decreased year-on-year. The data source is individual data from the Statistical Register of Employment (DAK). The data for March-May 2023 was filled in by linear interpolation due to missing values.

[42] In the chart, companies are categorised based on their existence using the following simplified definition: a surviving company is one that exists in a given month and also in the same month of the previous year; a new company is one that exists in a given month but did not exist in the same month of the previous year; a dissolved company is one that existed in the same month of the previous year but no longer exists in the current month. The data source is microdata from the Statistical Register of Employment (DAK). The data for March–May 2023 and March–May 2024 was filled in by linear interpolation due to missing values. The year-on-year change in numbers is slightly different from that shown in Figure 42, as a different data source was used.

Figure 45: Employment growth has continued to moderate in recent quarters, as shown by the weakening labour hoarding indicator[43]

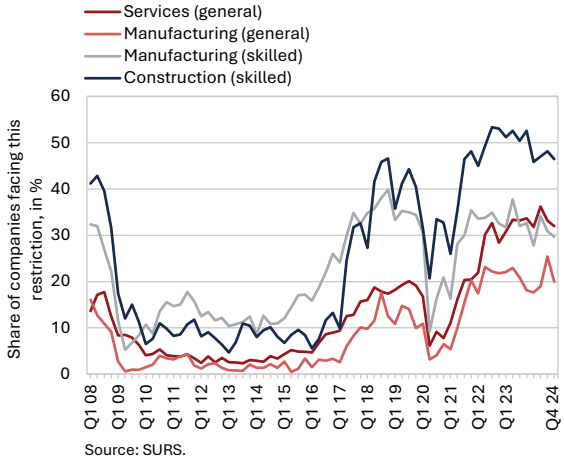
Sources: SURS, Eurostat; calculations by IMAD.

Figure 46: The cyclical pressures on demand for labour have eased, but structural factors, largely driven by demographic trends, continue to contribute to labour shortages[44]



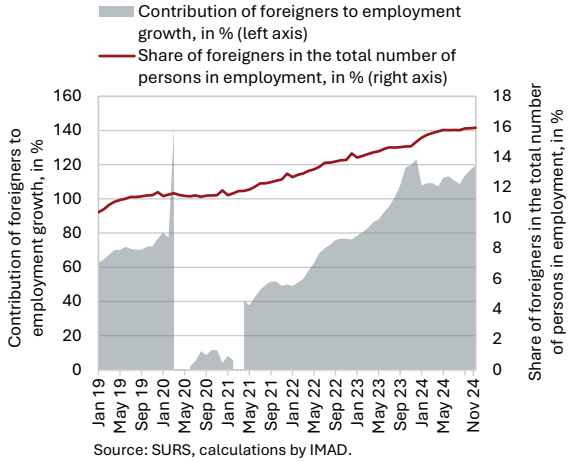
Source: SURS; calculations by IMAD.

Figure 47: A still relatively high proportion of companies in various sectors report labour shortages and negative effects on business



Source: SURS.

Figure 48: New employment continues to be driven by the hiring of foreign workers[45]



Source: SURS, calculations by IMAD.

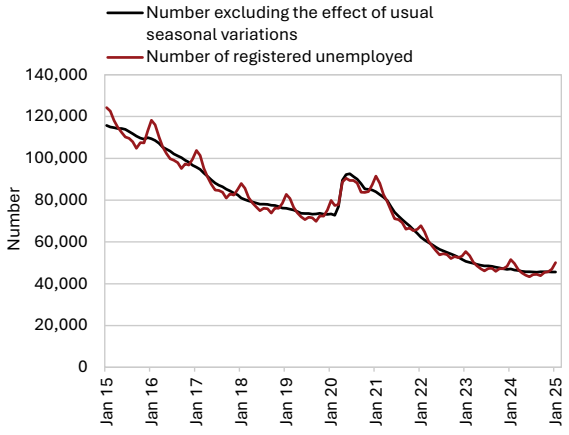
[43] The chart shows the standard indicator value (or z-value), which shows the indicator values in relation to their long-term average (2010–2019). Values close to 0 for each indicator show that the indicator is close to its average. Corporate profits or profit margin is the difference between the GDP deflator and nominal unit labour costs.

[44] The series of vacancies per unemployed person is divided into a cyclical and a structural part on the basis of a Christiano-Fitzgerald filter with a standard cycle length of 1.5 to 8 years. For more, see OECD (2024b).

[45] In the figure, the blank space in the contribution of foreigners to employment growth indicates the period in which the contribution was negative. In March 2020 and in the period since mid-2024, the contribution was high (over 100%), due to a year-on-year decrease in the number of employed Slovenian citizens and an increase in the number of employed foreign workers, which therefore outpaced the overall increase in the number of persons in employment.

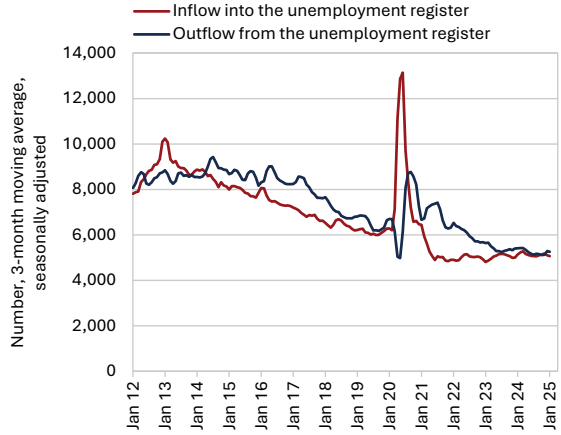
As demand for labour cooled, the decline in the number of registered unemployed slowed further last year. This slower decline (from -14.0% in 2023 to -5.9% on average in 2024) was primarily due to a moderation in the outflow from unemployment, especially into employment, and, to a lesser extent, higher inflow into unemployment, which remains relatively low for now (Figure 50).[46] As of the end of January (latest available data), 50,148 people were unemployed, marking a 2.8% year-on-year decrease (Figure 49).

Figure 49: The decline in unemployment has slowed markedly since early 2023...



Source: ESS; calculations by IMAD.

Figure 50: ...primarily due to a lower outflow from unemployment, driven by fewer people entering employment, along with a modest yet gradually increasing inflow into unemployment, which remains relatively low for now



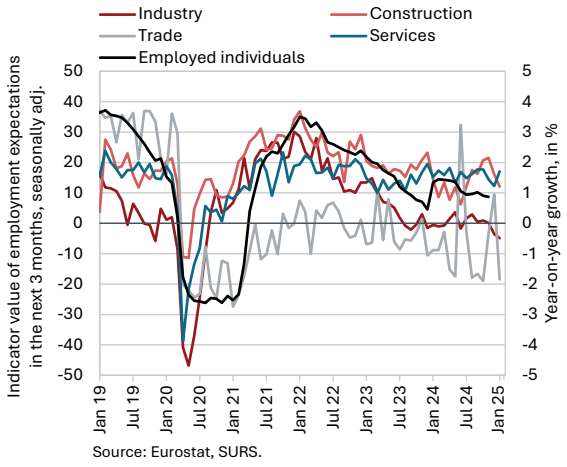
Source: ESS; calculations by IMAD.

Given the current levels, employment growth and unemployment decline are expected to remain modest this year but are likely to increase slightly next year. Employment is expected to resume growth in the second half of the year, with some sectors – where it declined last year – recovering even later. Employment growth is expected to strengthen slightly next year (from 0.1% this year to 0.4%), but despite the anticipated higher economic growth, it will still remain lower at the end of the forecast period compared to previous years, due to labour supply constraints and the already high level of employment. Growth will mainly stem from the employment of foreign workers. The number of registered unemployed persons is expected to be slightly lower on average this year than last year. In addition to transitions into employment, demographic changes will also play a significant role in the decline, as they contribute to the increasing shift from unemployment to inactivity or retirement.[47] The decline is projected to be slightly higher again in the next two years, but due to already historically low levels and the structure of the unemployed, it will not be significant.

[46] Since the beginning of 2023, seasonally adjusted data has indicated a moderate increase in inflow into unemployment due to business reasons, while inflows related to bankruptcies also began to rise slightly in the second half of last year.

[47] The outflow from unemployment to retirement is gradually decreasing in absolute terms due to the shrinking pool of unemployed individuals. However, in relation to the total number of unemployed, it is the highest since 2012.

Figure 51: The indicator of expected employment suggests low growth in new employment over the next three months



Source: Eurostat, SURS.

Table 4: Forecasts of employment and unemployment

In %	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2025	February 2025
Employment according to the SNA, growth	0.1	0.6	0.1	0.5	0.4	0.5
Number of registered unemployed, in '000, annual average	46.0	44.6	45.4	44.1	44.8	44.3
Registered unemployment rate	4.6	4.5	4.6	4.5	4.5	4.5
ILO unemployment rate	3.7*	3.7	3.7	3.6	3.7	3.7

Source: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.
Note: * IMAD estimate (Q4 2024 figure was not available at the time the forecast was made).

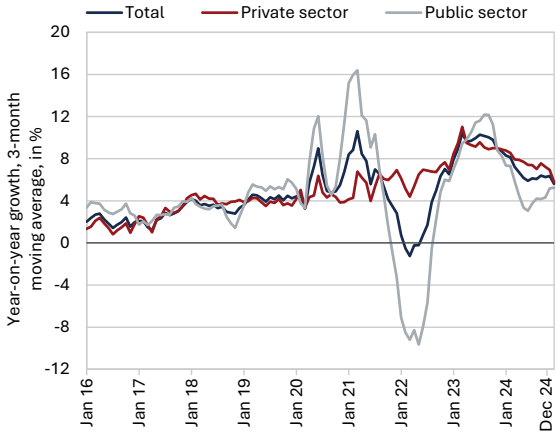
2.4 Wages

Nominal wage growth slowed slightly last year (6.2%), while in real terms it strengthened due to lower inflation (4.1%). Wage growth in the private sector (7.0%) continued to be influenced by factors related to labour shortages, employee pressures to maintain real income levels and a 4.2% increase in the minimum wage. These factors were somewhat less pronounced due to slower economic growth, weaker labour demand and lower inflation. Wage growth remained highest in labour-intensive activities, where labour shortages are most acute, such as construction (12.4%) transportation and storage (8.0%), and manufacturing (7.4%). Wage growth also remained high in the service sector. Wages increased the most in the lower end of wage distribution, primarily due to the increase in the minimum wage and the rise in the lowest wages, particularly in sectors with traditionally lower incomes (Figure 53). In the public sector, wage growth (4.6%) was mostly driven by the agreement on a partial cost-of-living adjustment of the pay scale, adopted in mid-2024. Despite the slowdown in nominal wage growth, overall real wage growth gradually

strengthened last year as a result of decreasing inflation, reaching 10.9% higher than in 2019.

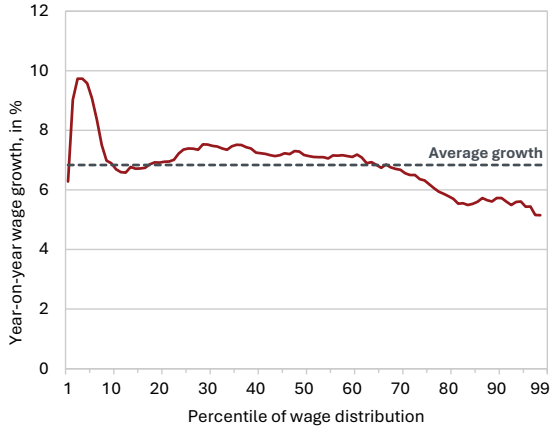
Overall average gross wage growth is projected to remain relatively strong this year (6.2%), driven by both the private sector (5.8%, 3.5% in real terms) and the public sector (6.7%, 4.4% in real terms). It is expected to weaken somewhat in the following years, but real wage growth will still exceed the levels of a decade ago. In the public sector, wage growth this year and over the next three years will be significantly influenced by the wage reform,[48] which began implementation on 1 January 2025. The impact will be most pronounced this year, gradually decreasing in 2026 and 2027, in line with the expected dynamics of the reform's implementation and the estimates of its effects during the preparation phase. In the private sector, wage growth is expected to remain relatively high this year and in the coming years before gradually moderating. Upward pressure on wage growth will continue to be significantly influenced by labour shortages and partly also by the demonstration effect of wage increases in the public sector. However, companies' efforts to maintain competitiveness will likely lead to more moderated real wage growth compared to recent years. The gross wage growth forecast is subject to several risks. In the public sector, risks are linked to certain elements of the wage system reform, whose financial impact cannot be accurately assessed before its implementation (e.g. changes in the promotion system). In the private sector, risks stem from increased upward pressure on wages due to labour shortages and a stronger demonstration effect that could result from wage increases in the public sector.

Figure 52: Nominal wage growth in 2024 was slightly lower than in 2023 but still high



Source: SURS, calculations by IMAD.

Figure 53: Due to the increase in the minimum wage and labour shortages, particularly in sectors with relatively low wages, gross wage growth was highest last year in the lower end of the wage distribution[49]

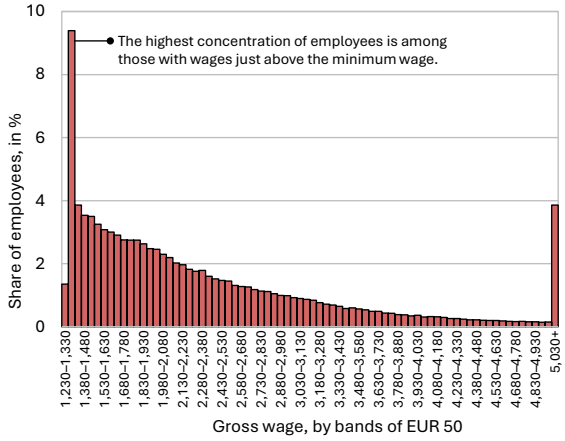


Source: SURS; calculations by IMAD.

[48] Common Foundations of the Public Sector Salary System Act (ZSTSPJS), 2024.

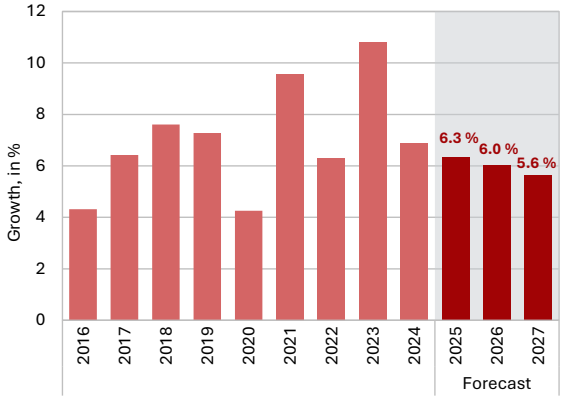
[49] The wage growth is based on the comparison between September 2024 and September 2023. More recent data were not available at the time of publication. Wage distribution is estimated based on individual data from iREK forms. These are raw data. In this case, wages are the sum of the individual "M" fields. As a result, growth may differ slightly from what would be shown based on official, adjusted SURS data. The distribution is capped at the bottom at the minimum wage level for each year but remains uncapped at the top. The average growth in the distribution generally aligns with the growth of the average gross wage based on officially published SURS data for the mentioned period.

Figure 54: Distribution of gross wages remained highly concentrated around the minimum wage last year[50]



Source: SURS; calculations by IMAD.

Figure 55: Estimate and forecast of nominal contribution base growth



Source: SURS, forecast by IMAD. Note: The forecast for nominal contribution base growth is calculated as the product of the number of wage earners based on wage statistics and the gross wage per employee.

Table 5: Forecast for growth in the average wage per employee

Growth rates, in %	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2025	February 2025
Gross wage per employee – nominal	6.2	6.6	**6.2**	5.5	**5.5**	**5.1**
– private sector	7.0	6.3	**5.8**	5.6	**5.6**	**5.3**
– public sector	4.6	7.1	**6.7**	5.2	**5.2**	**4.8**
Gross wage per employee – real	4.1	3.2	**3.8**	3.1	**3.1**	**3.0**
– private sector	4.9	2.9	**3.5**	3.2	**3.3**	**3.1**
– public sector	2.5	3.7	**4.4**	2.9	**2.9**	**2.7**

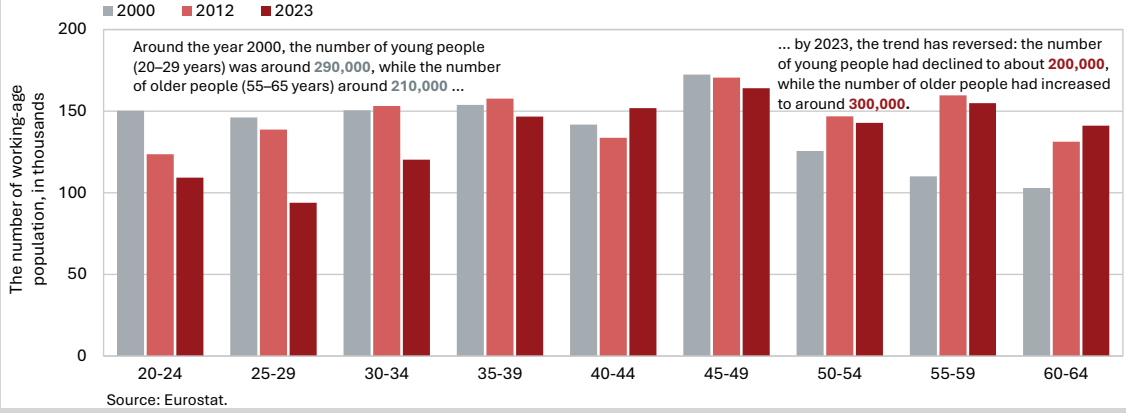
Source: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.

[50] The wage distribution refers to September 2024. It is cut off at the lower end at the minimum wage and at the upper end at EUR 10,000. The share of employees earning over 5,000 EUR is aggregated, as otherwise, the distribution would be significantly extended to the right and visually compressed at the lower end, making it difficult to gain insight into the part of the distribution where the vast majority of employees fall. For other methodological details, refer to footnote 49.

Box 4: Labour shortages in light of demographic and other structural changes in the labour market

A significant factor contributing to labour shortages is demographic trends, which are gradually but persistently changing the size and age structure of the working-age population. Labour shortages in Slovenia, as well as in other developed countries, are influenced by both cyclical and structural factors. Among the structural factors, one of the most notable is population ageing. The number of persons aged 20–64, who are typically employed and thus represent the potential labour force, has been steadily decreasing since 2012.[51] As more workers transition out of the labour market (into retirement) than new entrants join – due to smaller generations (Figure 56) – the age structure of the labour market is shifting toward a higher share of older workers. Primarily due to demographic changes, companies continue to report significant labour shortages, even amid the recent slowdown in economic growth and employment, as they must replace an increasing number of retiring employees.

Figure 56: Demographic trends are reshaping the age structure of the population: the number of young people is decreasing, while the number of older individuals is increasing, resulting in a shrinking labour force



Source: Eurostat.

Attracting foreign workers has therefore become an increasingly important factor in maintaining current employment levels and supporting employment growth. Between 2013 and 2023, Slovenia recorded a net migration gain of 81,000 people (more immigrants than emigrants), which contributed to employment growth (Figure 57).[52] According to the EUROPOP2023 demographic projections, the decline in the population aged 20–64 is expected to continue in the coming decades. Only a continuation of large positive net migration observed in recent years

[51] According to the Labour Force Survey (SURS, 2025), the number of people aged 20–64, who typically participate in the labour market, fell by 90,000 between 2012 and 2023, meaning that the size of the potential labour force has been shrinking by about 8,000 individuals each year. To put it in perspective: the working-age population in this age group has declined by an amount equivalent to the entire population of Maribor since 2012.

[52] Most foreign immigrants come from the countries of the former Yugoslavia, particularly Bosnia and Herzegovina, where a relatively high unemployment rate drives many people to seek work opportunities abroad.

could help mitigate (though not prevent) this trend in the short and medium term, and potentially allow for weak employment growth in the medium term (Figure 58).[53]

Figure 57: The continuation of high net migration...

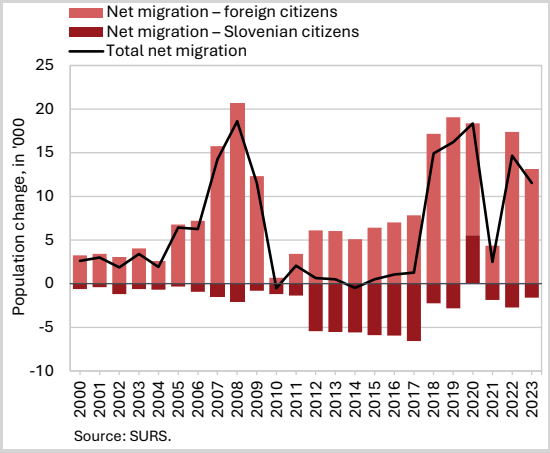
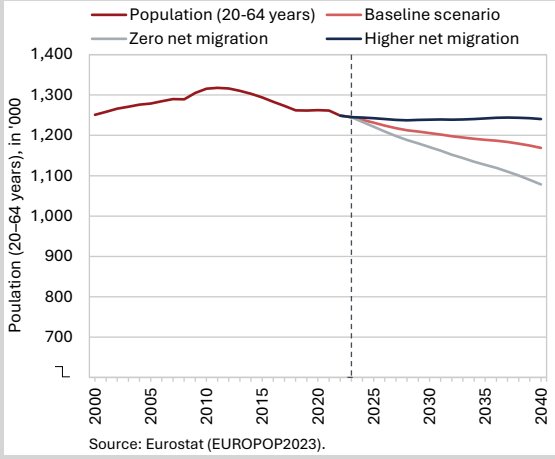


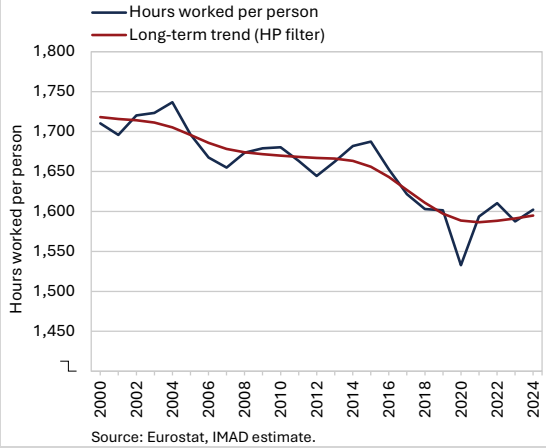
Figure 58: ...could help mitigate the decline in working-age population



Another factor contributing to the labour shortage is the long-term decline in hours worked per employee. In the short term, fluctuations in hours worked are influenced by the economic cycle and the number of working days in a year. However, the long-term trend is a result of changes in the sectoral structure of the economy, shifting towards less labour-intensive activities, new forms of work, increased female workforce participation (who tend to work slightly fewer paid hours), and, in recent years, evolving work-leisure preferences. The proportion of employees seeking to increase their working hours has been steadily declining, while the proportion of those preferring to work fewer hours is on the rise. This trend was particularly notable in the period immediately following the COVID-19 crisis (Figure 60). The number of hours worked has increased slightly in the last two years, which is likely driven by the slowdown in hiring, coupled with persistent labour shortages, prompting companies to increase workloads for existing employees more frequently. Nevertheless, prospects for a significant increase in hours worked per employee remain limited, given the several years of decline: in 2023, the number of hours worked had fallen by around 7% compared to 2000 (Figure 59).

[53] The high net migration in EUROPOP2023 projections (9,702 net immigrants per year over the 2023–2100 period) refers to a continuation of the net migration trend that has been recorded in the past few years and is historically high. Net migration in the 2010–2017 period averaged only about 600 people per year from 2010 to 2017, but increased to around 13,000 per year from 2018 to 2022 (Eurostat, 2023).

Figure 59: The labour market is also characterised by a long-term downward trend in the number of hours worked per person employed...



Source: Eurostat, IMAD estimate.

Figure 60: ...which is partly the result of changing work-leisure preferences

Source: SURS; calculations by IMAD.

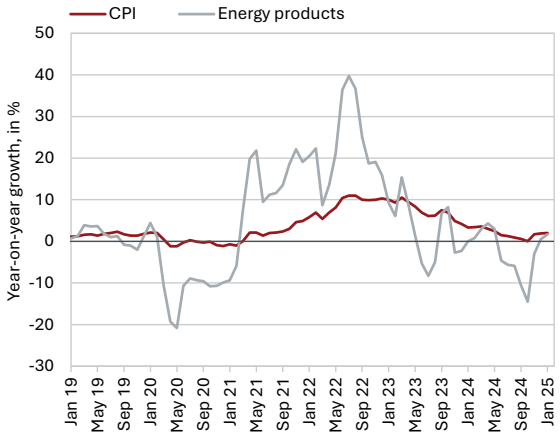
2.5 Inflation

By the end of 2024, inflation fell to 1.9%, with average inflation at 2% – less than half the rate recorded in 2023 (4.2%). The slowdown was mainly driven by lower price growth in services and non-energy industrial goods. Year-on-year inflation dynamics were also affected by strong base effects, primarily due to 2023 measures aimed at mitigating the impact of soaring prices. Year-on-year inflation gradually weakened until October, when it reached its lowest (zero) level, before rising again to 1.9% by the end of the year. The sharpest increase occurred in November, when the expected rise was largely driven by the base effect linked to the full exemption from the RES and CHP contribution in November 2023. Additionally, in November 2024, electricity prices rose by 16.8% on a monthly basis due to the transition to the high billing season for network charges.[54] Energy prices, which were still nearly 15% lower year-on-year in October, rose 0.5% by the end of the year. As a result, their contribution to inflation was minimal at year-end (0.1 p.p.). Almost half of last year's inflation was driven by higher service prices, especially in sectors with relatively high demand that also faced labour shortages and greater wage-related cost pressures (e.g. accommodation and food service activities). However, the growth in service prices significantly slowed compared to 2023 (from 6% to 2.7%), although it still outpaced the growth in consumer prices. The year-on-year food price growth slowed significantly in 2023 and in the first half of 2024, following double-digit growth in 2022 (in May 2024, food prices were even slightly lower year-on-year). In the second half of the year, food price growth increased again slightly and reached 2.3% in December.[55] Durable goods prices continued to ease amid the stabilisation of international energy and commodity markets and the resolution of supply chain issues, decreasing for the second consecutive year (down 0.8% last year). Semi-durable goods prices increased by 2% growth last year, a rate comparable to the previous year. The slowdown in price growth for non-energy industrial goods and services was reflected in the rapid decline in core inflation, which decreased from 5.2% at the end of 2023 to 1.9% in December last year.

[54] Without government intervention, which slightly reduced the regulated electricity price, the price increase would have been approximately twice as high, according to the Ministry of the Environment, Climate and Energy (MOPE).

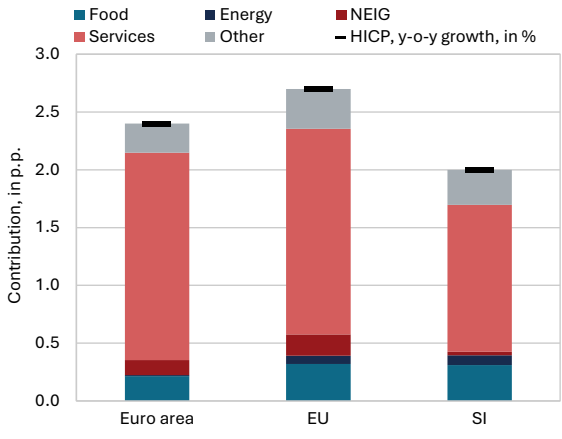
[55] Sugar prices rose by approximately 10%, while oil and fat prices also saw a marked increase (7.4%).

Figure 61: Due to measures, energy prices fluctuate significantly year-on-year



Source: SURS.

Figure 62: Services were the biggest contributor to year-on-year inflation in Slovenia and the EU (December 2024)



Source: Eurostat, calculations by IMAD.

This year, moderate price growth is expected across most categories, with services likely exceeding overall price growth. However, inflation dynamics will be significantly influenced by past and current measures, which could result in inflation at the end of 2025 (2.7%) being higher than it was last December. According to the ECB Survey of Professional Forecasters, short-term inflation expectations in the euro area have stabilised around the inflation target, and long-term inflation expectations remain steady around this level as well (ECB, 2025c). In Slovenia, inflation in January was slightly higher (2%) than in December, while HICP inflation (2.3%) remained below the euro area average (2.5%). For 2025, it is assumed that conditions on international energy markets will remain relatively stable over the forecast horizon, but year-on-year energy price growth will fluctuate significantly due to the phasing out of temporary measures, particularly those aimed at mitigating the impact of the transition to a new electricity network charge calculation method.[56] In February, inflation will be influenced by the Act on Emergency Measures to Mitigate the Impact of High Network Charges for Households (Official Gazette of the Republic of Slovenia, No. 9/25, 2025), which will temporarily slow the year-on-year rise in consumer prices. However, these prices are expected to increase slightly again in March once the measure expires at the end of February. Monthly inflation growth will also be affected by the end of electricity price regulation, while the government's extension of the full exemption from the RES and CHP contribution until the end of June, which, together with the shift to the lower season for calculating network charges, will help mitigate the monthly growth of electricity prices. The low base effect due to measures implemented at the end of last year to mitigate the impact of high electricity prices could contribute to a rise in year-on-year inflation at the end of the year. Service price growth is expected to remain above average throughout the forecast period, driven by labour shortages in some sectors and continued wage increases. The growth of non-energy industrial goods prices will be

[56] Several measures to mitigate the impact of rising energy prices are set to expire this year: (i) the Act on emergency measures to mitigate the impact of high network charges for households, and (iii) the regulation of electricity prices, both expire at the end of February. The regulation for oil product prices and the exemption from the RES and CHP contribution expire in the middle of the year.

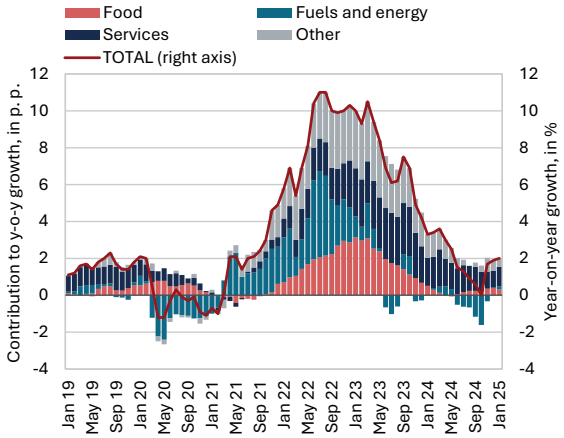
moderate, and together with relatively higher growth of service prices, this will keep core inflation around 2%. Assuming no major shocks in the commodity markets and moderate effects of climate change, food prices are expected to grow at a moderate pace. In the absence of shocks, inflation is expected to fall slightly after 2025, hovering around 2%.

Table 6: Inflation forecast

In %	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2025	February 2025
Inflation – Dec./Dec.	1.9	3.3	2.7	2.2	2.2	2.1
Inflation – annual average	2.0	3.3	2.3	2.3	2.3	2.1

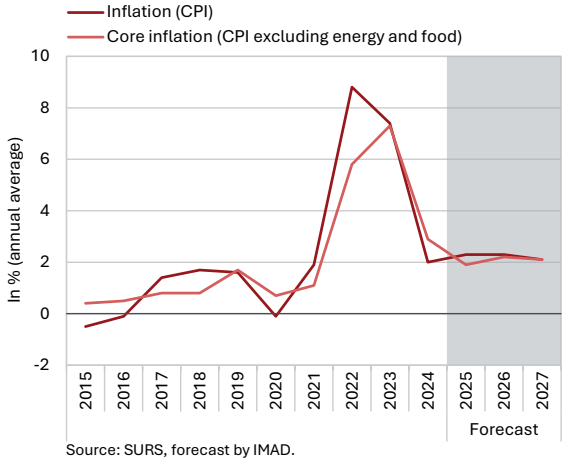
Source: For 2024, SURS (2025); for 2025–2027, forecast by IMAD.

Figure 63: The main contributors to the further easing of inflation were lower price growth in services and non-energy industrial goods



Source: SURS, calculations by IMAD.

Figure 64: Inflation will be subdued in the absence of shocks, and its dynamics will continue to be significantly influenced by measures to mitigate high energy prices



Source: SURS, forecast by IMAD.

2.6 Current account of the balance of payments

The current account surplus remained high last year, increasing by EUR 426.4 million compared to the previous year, reaching EUR 3.3 billion (4.9% of GDP). The higher surplus was primarily driven by the goods trade balance, as exports grew faster than imports. The terms of trade improved by 0.8%,[57] contributing approximately EUR 339 million to the increase in the goods surplus (EUR 247 million), while quantity fluctuations had a negative impact of EUR 92 million. Furthermore, the services surplus increased, particularly in trade in technical trade-related services, and partly also in trade in certain knowledge-based services (telecommunications, computer and information

[57] Given that the share of energy, raw materials and food in imports is higher than in exports, the volatility of their prices, which is relatively high, has a strong impact on the terms of trade (the ratio of export to import price growth) and consequently on the current account balance. Foreign trade price shocks explain one-fifth of the change in the foreign trade balance in the long run.

services, financial services and R&D services). The improvement in the balance of payments was also due to lower primary and secondary income deficits. The primary income deficit decreased due to lower net payments of taxes on production and imports, alongside higher net interest income from financial investments in securities and from deposits in foreign accounts, while the secondary income deficit narrowed primarily due to lower GNI- and VAT-based contributions to the EU budget.

In 2025–2027, the current account surplus will gradually decrease to 3.4% of GDP. With investment growth, the investment-savings gap will narrow slightly in the coming years. The goods trade surplus is expected to gradually decline amid relatively stable terms of trade, resulting from lower real export growth compared to import growth. The services surplus is projected to continue expanding in the forecast period across all main categories of services trade, particularly in the trade of transport services and other business services, as well as tourism-related services. Conversely, the deficits in the primary and secondary income balances are expected to increase in 2025–2027, due to higher net interest payments on foreign loans,[58] increased net outflows of income from equity capital, and a slightly lower surplus of income from labour with the continued growth in employment of foreign workers. The secondary income deficit is projected to widen primarily due to higher net payments to the EU budget.

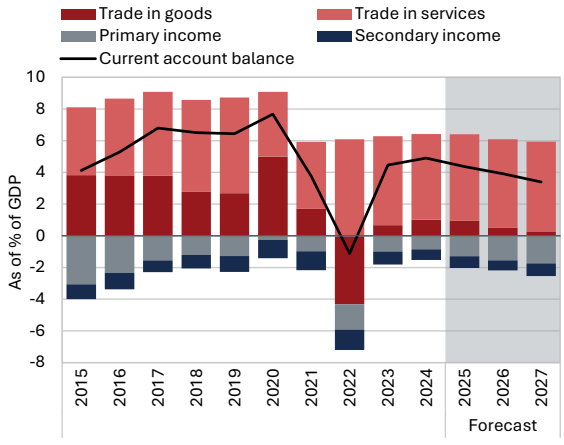
Table 7: Forecast for the current account balance – balance of payments statistics

	2024	2025		2026		2027
		September 2024	February 2025	September 2024	February 2024	February 2024
Current account, in EUR million	3,285	1,649	**3,067**	1,570	**2,892**	**2,634**
Current account, as a % of GDP	4.9	2.3	**4.4**	2.1	**3.9**	**3.4**

Source: For 2024, BoS (2025); for 2025–2027, forecast by IMAD.

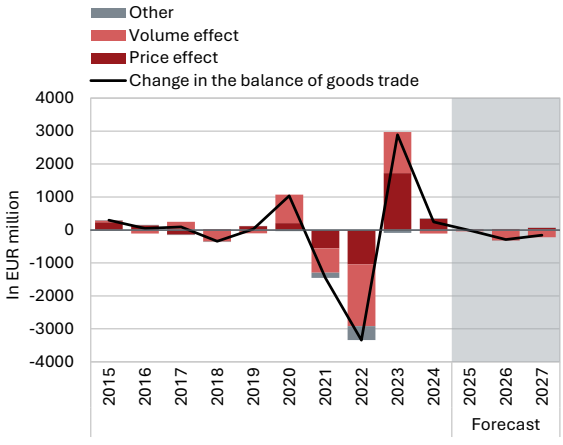
[58] As the main refinancing rate is anticipated to decrease, the Bank of Slovenia's interest receipts are expected to gradually decline as well. On the expenditure side, higher interest payments on increased borrowing through bonds are expected.

Figure 65: The current account surplus will gradually decline over the forecast horizon due to the narrowing goods trade surplus...



Source: BoS, calculations and forecast by IMAD.

Figure 66: ...which will result from lower export growth compared to import growth, with approximately unchanged terms of trade

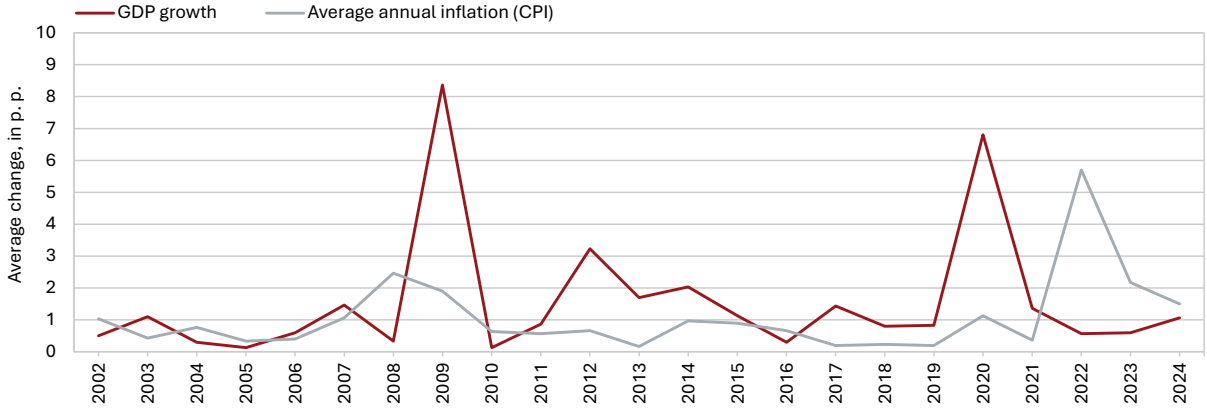


Source: SURS, BoS, forecast and calculations by IMAD.

3 Risks to the forecast

The preparation of macroeconomic forecasts is always subject to a degree of uncertainty, which has increased in recent years. Using an indicator modelled after Grzegorczyk and Papadia (2022), the level of uncertainty in the preparation of forecasts for economic growth and average annual inflation is measured. The indicator shows how much the latest (autumn) IMAD forecasts for a given year deviate, on average, from the previous forecasts for the same year (spring forecasts prepared in the same year and spring and autumn forecasts prepared in the previous year).[59] Unpredictable events – such as the COVID-19 pandemic, the outbreak of war in Ukraine, geopolitical tensions and the energy crisis – have increased the value of this indicator for both aggregates in recent years.

Figure 67: Uncertainty indicator in IMAD's forecast of economic growth and average annual CPI inflation



Source: calculations by IMAD based on Grzegorczyk and Papadia (2022).

The realisation of the spring forecast is also subject to considerable risks, primarily from the international environment and, to a lesser extent, the domestic environment. The risks are largely on the downside and have increased compared to the autumn forecast.

The greatest downside risk to GDP growth from the international environment arises from significantly increased uncertainty (partially already factored into baseline assumptions), particularly associated with the potential escalation of US protectionist measures and retaliatory actions by affected countries. Such developments could hinder the expected gradual recovery of activity growth and the stabilisation of inflation in Slovenia's trading partners. Although direct trade between Slovenia and the US is relatively limited (2.2% of goods exports and 0.9% of goods imports),[60] any new or increased US tariffs on EU imports would indirectly affect the Slovenian economy through its key trading partners that have stronger trade ties with the US, particularly Germany, which accounts for 32% of total EU exports to the

[59] A similar movement of the indicator is also characteristic for other institutions involved in the assessment of forecast performance.

[60] Balance of payments data. According to foreign trade statistics, the reported value of imports from the US is significantly higher due to goods processing, particularly in connection with organic chemical products.

US – by far the largest share among EU countries.[61] The EU is a key supplier of critical products for the US, including components for medicines and pharmaceuticals, motor vehicles, advanced machinery and equipment, aircraft, and aerospace components. Conversely, the EU is the largest buyer of American oil and natural gas, and a major importer of medical and pharmaceutical products from the US. According to various scenarios, protectionist measures could reduce EU GDP growth by several tenths of a percentage point,[62] which would also affect the Slovenian export sector. The key impact would be indirect, as Slovenian exports would decline due to lower exports from its key trading partners to the US market. If retaliatory measures were introduced (e.g. scenario ii in footnote 62), Slovenian export growth could slow by nearly one percentage point compared to the baseline scenario. Additionally, heightened uncertainty – though not accounted for in this scenario and difficult to quantify – could significantly negatively affect economic activity, particularly investment decisions. The experience of the US tariff hikes in 2018/19 demonstrated that heightened uncertainty about trade policy led to reduced investments, particularly in manufacturing (IMF, 2024). At the beginning of 2025, uncertainty remains exceptionally high, as reflected in record levels of the Trade Uncertainty Index in January. While this is partially factored into the baseline scenario, prolonged or increased uncertainty could further negatively impact economic activity, primarily through lower investments in sectors exposed to international trade. If 10% tariffs were imposed, followed by EU retaliatory measures and increased and prolonged trade policy uncertainty, Slovenia's economic growth could be approximately half a percentage point lower. An increase in existing car tariffs to 25% would further amplify this effect.[63] Escalating tariffs on non-EU countries also heightens the risk of slowing global trade, supply chain disruptions and even stronger indirect effects. At the same time, this increases the likelihood that European (and Slovenian) economies will face greater competition from foreign businesses, as they shift their focus to markets where Slovenian companies are more directly or indirectly active.

Geopolitical uncertainty remains high, particularly concerning developments in the Middle East and Ukraine, alongside other risks that could slow European economic growth, which has been struggling for some time with declining competitiveness and structural challenges. Escalation of conflicts in war-affected areas could lead to higher energy, food and transportation costs, and supply chain disruptions, further weakening global trade and European economic growth. It could also lead to higher inflation, which could result in a renewed monetary policy tightening. In the euro area, risks of persistently elevated inflation also stem from wages rising faster than productivity over an extended period due to skilled labour shortages, resulting

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[61] In 2023, the EU recorded a EUR 157 billion trade surplus in goods with the US and a EUR 109 billion trade deficit in services.

[62] The German economic institute IfW Kiel, using the KITE model, estimated the impact of tariff imposition on GDP under three scenarios: i) the US imposes 25% tariffs on Mexico and Canada and 10% tariffs on all other countries; ii) scenario i + retaliatory measure by the EU and China, imposing 10% tariffs on US imports; iii) scenario ii + a further escalation by the US, increasing existing tariffs on EU car imports to 25%. Under scenario i, real GDP in the EU and Germany would fall by less than 0.2% in the short term, under scenario ii, the decline would be slightly more than 0.2%, and under scenario iii, EU GDP would shrink by about 0.25%, while German GDP would fall by 0.3% (IfW Kiel, 2025).

[63] The impact assessment covers 12 months after the measures take effect, rather than a calendar year. The estimates are stylised and subject to a wide margin of uncertainty.

in higher inflation in the service sector.[64] Additionally, extreme weather events, which have become increasingly widespread and frequent in recent years, could drive food and electricity prices higher than projected in the baseline scenario. Other risks in the international environment that could slow down European economic growth include increased political uncertainty in some European countries, which could negatively affect business investment and household spending decisions. An additional downside risk stems from the structural challenges in Europe's manufacturing sector, particularly the automotive industry, due to higher energy prices, rapid technological progress, changing consumer preferences and global competition. The pace of China's economic recovery also remains critical to global trade growth.

Downside risks also arise domestically, primarily related to the ability to implement large investment projects and the impact of rising labour costs on competitiveness. The pace of executing planned government investments will depend on the availability of sufficient capacities, which remain limited. Potential delays could arise from public procurement procedures, project selection, and limited administrative and human resource capacities. In the construction sector, which has struggled for some time with a shortage of workers for basic tasks, the lack of engineers and building designers has become increasingly prominent. Increased demand for construction work, coupled with relatively high capacity utilisation, could also lead to faster price growth in the construction sector. Labour shortages could also accelerate wage growth, not only in construction but also in some other activities, negatively affecting the cost competitiveness of the economy and slowing down the reduction of inflation.

Economic growth could exceed baseline expectations if workforce attraction improves and EU funds are absorbed more efficiently, particularly in conjunction with reform measures. A more successful attraction of foreign workers, supported by existing and potential additional measures, could further mitigate labour shortages and limit cost pressures, positively impacting inflation and economic activity. The full utilisation of EU funding and the positive effects of reform measures present an opportunity to strengthen development, with a focus on: increased support for research, innovation and digitalisation to boost productivity; green transformation towards a more sustainable economic model; and adjustments to social protection systems, primarily driven by demographic trends. These factors could have an even stronger positive impact on economic growth, particularly in the medium term.

[64] If companies are unable to absorb wage growth that outpaces productivity growth into their profit margins, this could lead to a higher increase in goods prices.

4 Potential GDP growth

Estimates of potential GDP[65] and the output gap are volatile and subject to subsequent revisions. As potential GDP cannot be measured directly, estimates thereof can change depending on input data or adjustments in the methodology used. Input data often change due to revisions of GDP growth in previous years, updated forecasts of GDP growth or other input categories, and adjustments in the length of included time series. As a result of these factors, ex-post estimates for the same period, even in the past, may alter the level of potential GDP and the output gap. In uncertain conditions, the current estimates of potential GDP and the output gap should be considered only in the context of the assumptions and broader economic picture at the time when they were made.

According to the current estimate, potential GDP growth is expected to remain moderate this year and over the next two years. Growth of potential GDP strengthened gradually between 2012 and 2019, before temporarily declining in 2020 due to the impact of the health crisis. It recovered slightly to almost 2.7% on average in 2021–2024. It is estimated that the impact of the COVID-19 crisis on production factors was limited due to large-scale intervention measures. Annual growth in potential GDP is expected to average 2.4% this year and in the next two years. The greatest contribution will still be made by total factor productivity (1.2 p.p.), whose growth is expected to be similar to that before the global financial crisis. Capital's contribution is expected to be slightly more modest (0.5 p.p.) than in recent years, as investment growth is projected to be somewhat lower.[66] Labour is expected to contribute 0.7 p.p. to potential growth in 2025–2027 on average, but its contribution will gradually decline due to the already high employment and activity rates, especially in the 30–54 age group, and the decline in the contribution of hours worked.

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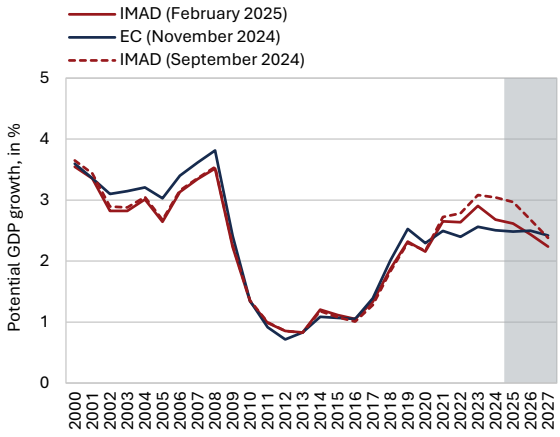
[65] Potential GDP is a macroeconomic indicator that represents the output an economy can achieve without creating inflationary pressures (i.e. overheating). If the actual output of an economy (actual GDP) is greater than the potential output (potential GDP), this causes an increase in inflation (and vice versa). The difference between actual GDP and potential GDP expressed as a percentage of potential GDP is referred to as a country's output gap. IMAD's calculation of potential GDP is based on a production function method. The method assumes that potential GDP can be represented by a combination of labour (which depends on demographic factors, the activity rate, number of hours worked and the natural unemployment rate), capital and total factor productivity. The method does not significantly differ from that of the European Commission. The disparities between potential GDP or output gap calculations by IMAD and the EC are largely due to the differences in i) the lengths of the forecast periods, ii) the forecasts of macroeconomic indicators and iii) certain input data (IMAD uses the August revision of SURS data; in the series of data on employment according to national accounts statistics, IMAD's calculations also take into account a correction for the break in the data series in 2002, and from autumn 2023 it also uses the higher migration scenario of the EUROPOP2023 population projection with correction of past population data for the break in the data series in 2007–2008).

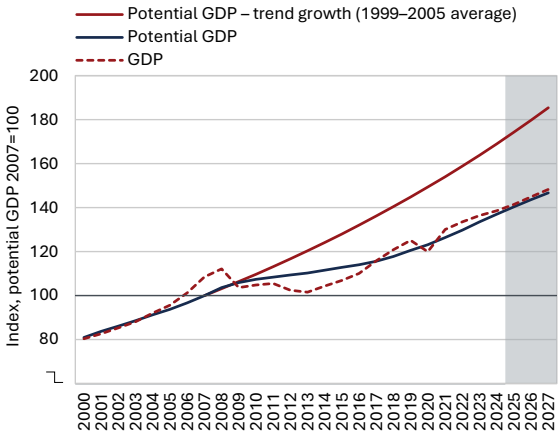
[66] The contribution will also be lower compared to the longer period before the global financial crisis, after which investment activity slowed significantly. The contribution of capital to potential GDP growth in 2000–2008, when it was relatively stable, averaged 1.7 p.p.

Figure 68: Potential GDP change: a comparison of IMAD and EC calculations



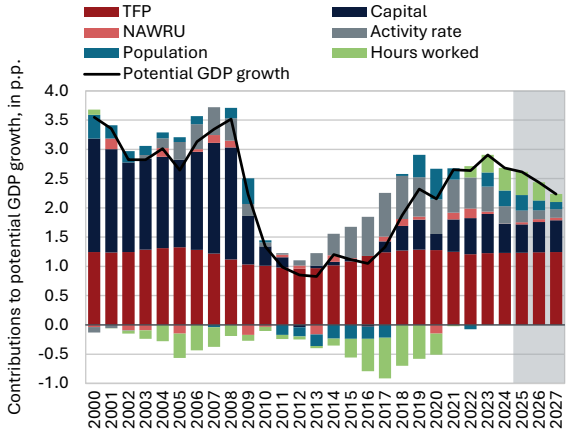
Source: SURS, estimates by IMAD and the EC.

Figure 69: GDP and potential GDP



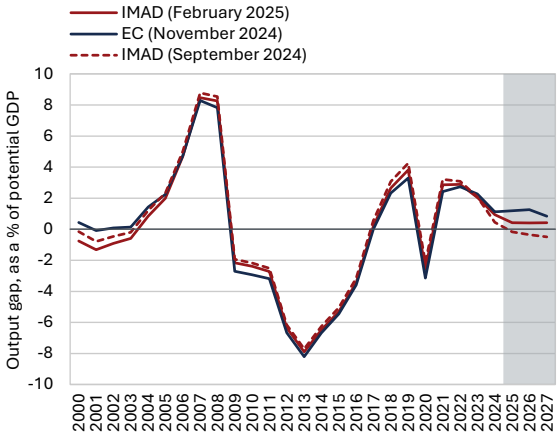
Source: SURS, estimates by IMAD.

Figure 70: Contributions of individual components to potential GDP growth



Source: SURS, estimates by IMAD.

Figure 71: Output gap: a comparison of IMAD and EC calculations



Source: SURS, estimates by IMAD and the EC.

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1 Appendix: Assessing forecasting performance

1.1 Introduction

This section focuses on assessing forecasting performance, taking into account data on GDP growth and inflation for 2024. After GDP growth of 2.1% in 2023, the growth rate slowed to 1.6% last year, according to the first estimate derived from quarterly data. At the same time, average annual inflation, which stood at 7.4% (CPI) and 7.2% (HICP) in 2023, fell to 2% (CPI and HICP) in 2024. The following analysis provides an overview of IMAD's forecasting performance, explaining deviations and comparing it with forecasts from other institutions.

1.2 Methodology

IMAD's assessment of the accuracy of its forecasts[67] is based on a comparison with other domestic and foreign institutions[68] that publish economic forecasts for Slovenia. The analysis covers forecasts[69] for two key macroeconomic aggregates: economic growth and average annual inflation (measured by CPI and HICP), the movement of which is presented in Figure 72. The forecasting performance assessment compares forecast values with the first statistical annual estimates using various statistical measures.[70]

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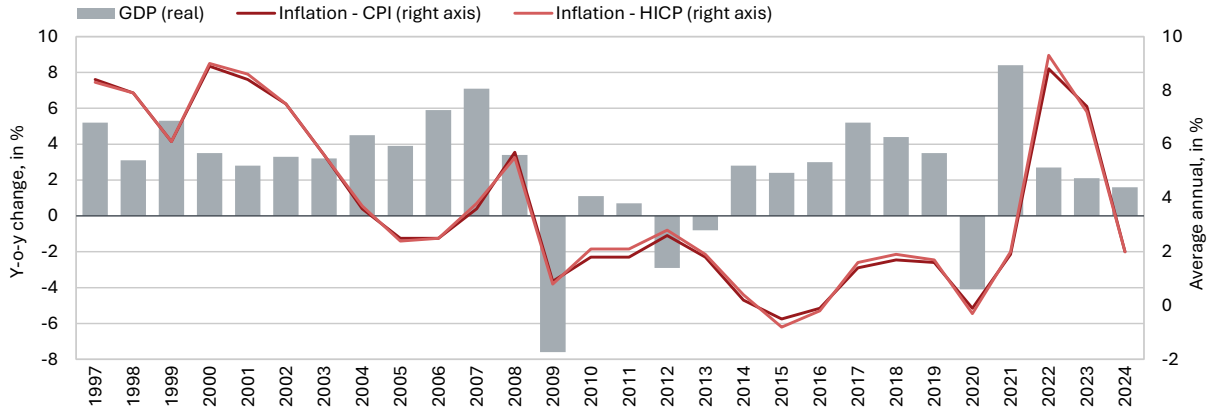
[67] The assessment of forecasting performance was prepared while considering certain exceptions. The 2020 assessment only included forecasts made after the COVID-19 epidemic was declared in Slovenia on 12 March 2020. For IMAD, instead of the regular Spring Forecast of March 2020, the Summer Forecast of June 2020 was considered, as it was the first comprehensive forecast prepared for the revision of the 2020 state budget. In addition, the forecasts for 2020, which were prepared by domestic and foreign forecasting institutions in 2019 – when the epidemic was unforeseen – were excluded. The outbreak of the war in Ukraine in February 2022 was also unexpected and significantly affected price developments. Therefore, to assess the performance of the inflation forecasts, the focus below is on forecasts made after the war began.

[68] In addition to the forecasts made by the Institute of IMAD (2020, several years-a, several years-b, several years-c, several years-d), the analysis covers forecasts for Slovenia by the BoS (several years-a, several years-b, several years-c, several years-d, several years-e, several years-f, several years-g), the CCIS (CCIS Analytics, 2021a, 2021b, 2022, 2023a, 2023b, 2023c, 2024a, 2024b, several years-g) and, among international institutions, the EC (several years), the IMF (several years), WIIW (Gligorov and Podkaminer, 2006, 2007; Gligorov et al., 2004; Gligorov and Richter, 2007; Havlik, 2002, 2003; Havlik et al., 2005; Podkaminer and Gligorov, 2006; Podkaminer, 2003, 2004; Podkaminer and Hunya, 2005; Pöschl, 2002; WIIW, several years-a, several years-b), and, for the last few years, the OECD (several years) and Consensus Economics (Consensus Economics, 2023a, 2023b, 2024a, 2024b) (hereinafter: "institutions").

[69] Spring forecasts for the year ahead (SF_{t+1}), autumn forecasts for the year ahead (AF_{t+1}), spring forecasts for the current year (SF_t) and autumn forecasts for the current year (AF_t).

[70] The arithmetic mean error ($ME = \frac{1}{T}\sum_{t=1}^{T}(P_t - R_t)$), mean absolute error ($MAE = \frac{1}{T}\sum_{t=1}^{T}(|P_t - R_t|)$), root mean square error ($RMSE = \sqrt{\frac{1}{T}\sum_{t=1}^{T}(P_t - R_t)^2}$), standardised mean absolute error ($stdMAE = \frac{MAE}{sd(R_t)}$) and standardised root mean square error ($stdRMSE = \frac{RMSE}{sd(R_t)}$), where the designations of variables and symbols have the following meanings: R actual value, P forecast, sd standard deviation and T number of forecasts. For detailed results, see the Statistical Appendix.

Figure 72: Economic growth and average annual inflation (CPI and HICP) in 1997–2024



Source: SURS, Eurostat.

To reduce bias when comparing institutions' forecasting performance, the impact of forecast timing must be eliminated. Other institutions typically publish their forecasts later than IMAD,[71] giving them an advantage in terms of access to more information, which can result in smaller forecast errors – and vice versa (Figure 73). To address this issue, the forecasting accuracy of institutions was compared using a new, less biased method[72] based on the calculation of an adjusted mean absolute error (adjusted MAE statistic), which eliminates the timing effect. The adjusted MAE statistic is calculated using an econometric model that assumes the absolute forecast error depends on the amount of information available at the time of the forecast, the institution's general forecasting ability (individual or fixed effects), and the complexity of forecasting certain years. The estimated individual (fixed) effects can then be interpreted as adjusted absolute forecast errors.

[71] According to the Act Amending the Public Finance Act (ZJF-H, 2018), IMAD must prepare the spring forecast no later than seven days after the publication of statistical data on GDP growth for the fourth quarter of the previous year and the autumn forecast no later than seven days after the publication of statistical data on GDP growth for the second quarter of the current year and the first annual estimate of economic growth for the previous year. Since 2022, SURS has moved the publication of quarterly data on GDP and its components to an earlier date (t+45, previously t+60), which is also why IMAD publishes its forecasts earlier than all other institutions.

[72] This method was first applied in the Autumn Forecast of Economic Trends 2018 (UMAR, 2018) (see Section 5). For a more detailed description of the method, see Andersson et al. (2017).

Figure 73: Timeline of forecasts published in 2024[73]

Jan				
Feb	**IMAD**			
Mar	Consensus Economics			
Apr	EC	CCIS	IMF	WIIW
May	OECD			
Jun	BoS			
Jul				
Aug				
Sep	**IMAD**	Consensus Economics		
Oct	IMF	WIIW		
Nov	EC	CCIS		
Dec	BoS	OECD		

Source: Forecasts of individual institutions.

1.3 Assessing forecasting performance

This section presents an overview of errors made by eight selected institutions in their forecasts for 2024, followed by an assessment of IMAD's forecasting performance from 1997 onwards. The last part includes a comparative analysis of the forecasting performance of six institutions, excluding the impact of the publication timing. The period analysed is from 2002 to 2024, as this is the longest timeframe for which forecasts from most institutions are available.[74]

The economic growth forecasts for 2024 were overestimated until autumn of that year, while the latest autumn forecasts from most institutions aligned very closely with the actual figure. Initially, institutions expected the Slovenian economy to grow by more than 2% in 2024. However, in the latest autumn forecasts, the predictions for economic growth were significantly lowered due to the expected stagnation of investments and a slower recovery in export activity. According to the preliminary statistical estimate, GDP growth was 1.6% in 2024 (see Section 2.1), which is close to IMAD's autumn forecast (1.5%) issued in early September 2024. The most accurate economic growth forecasts for 2024 in the last two years were prepared by the IMF, with MAE of 0.4 p.p. The mean absolute error of IMAD's forecasts, which are published first, was 0.75 p.p., while the highest error (0.78 p.p.) was recorded in the forecasts of the Chamber of Commerce and Industry of Slovenia.

[73] A similar timeline of forecasts was also used in previous years.

[74] Excluding the OECD and Consensus Economics, as their forecasts for Slovenia have only been available since 2009.

Table 8: Overview of GDP growth forecasts of selected institutions for 2024

Actual: 1.6%	Spring Forecast for 2023 (SF_{t+1})		Autumn Forecast for 2023 (AF_{t+1})		Spring Forecast for 2024 (SF_t)		Autumn Forecast for 2024 (AF_t)	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	2.5	0.9	2.8	1.2	2.4	0.8	1.5	-0.1
BoS	2.2	0.6	2.2	0.6	2.5	0.9	1.4	-0.2
CCIS	2.3	0.7	2.3	0.7	3.2	1.6	1.5	-0.1
EC	2.2	0.6	2.0	0.4	2.3	0.7	1.4	-0.2
IMF	2.1	0.5	2.2	0.6	2.0	0.4	1.5	-0.1
WIIW	2.5	0.9	2.7	1.1	2.5	0.9	1.7	0.1
OECD	2.6	1.0	1.8	0.2	2.3	0.7	1.1	-0.5
Consensus Economics	2.3	0.7	2.3	0.7	2.4	0.8	2.1	0.5

Source: Forecasts by individual institutions; SURS (2025); calculations by IMAD. Note: Positive (negative) values mean that the forecast value was higher (lower) than the actual value.

The latest autumn inflation forecasts for 2024 were in line with the actual figure for most institutions, while all previous forecasts overestimated the inflation rate. Inflation, measured by both CPI and HICP, averaged 2% in 2024, which was 5.4 p.p. (CPI) and 5.2 p.p. (HICP) lower compared to 2023 (see Section 2.5). The most accurate forecasts of average annual HICP inflation for 2024 in the last two years were made by the BoS, with MAE of 0.75 p.p., while the most accurate forecasts of average annual CPI inflation were made by Consensus Economics (1 p.p.). The MAE of IMAD's CPI inflation forecasts was 1.2 p.p., while the errors of the other two institutions – CCIS and IMF – were 1.3 and 1.4 p.p. points, respectively.

Table 9: Overview of average annual inflation forecasts (CPI and HICP) by selected institutions for 2024

Actual: CPI: 2.0% HICP: 2.0%	Spring Forecast for 2023 (SF_{t+1})		Autumn Forecast for 2023 (AF_{t+1})		Spring Forecast for 2024 (SF_t)		Autumn Forecast for 2024 (AF_t)	
	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.	Forecast	Error in p.p.
IMAD	4.2	2.2	3.9	1.9	2.7	0.7	2.1	0.1
BoS	3.6	1.6	3.0	1.0	2.4	0.4	2.0	0
CCIS	3.1	1.1	5.1	3.1	2.9	0.9	2.0	0
EC	2.8	1.8	3.9	1.9	2.8	0.8	2.1	0.1
IMF	4.5	2.5	4.2	2.2	2.7	0.7	2.0	0
WIIW	3.2	1.2	3.6	1.6	3.3	1.3	2.5	0.5
OECD	4.4	2.4	4.8	2.8	3.3	1.3	1.9	-0.1
Consensus Economics	3.2	1.2	3.5	1.5	3.0	1.0	2.4	0.4

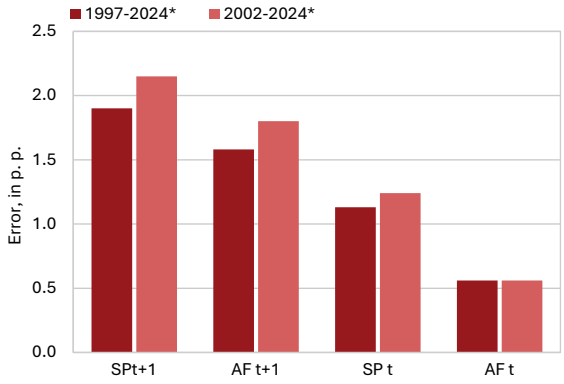
Source: Forecasts by individual institutions, Eurostat (2025), SURS (2025); calculations by IMAD. Notes: IMAD, CCIS, IMF and Consensus Economics forecasts refer to CPI inflation, BoS, EC, WIIW and OECD forecasts to HICP inflation. Positive (negative) values mean that the forecast value was higher (lower) than the actual value.

IMAD's forecasts have not exhibited any significant systematic deviations from actual values over a longer time horizon. The first characteristic used to assess the forecasting performance is forecast bias, which occurs when a forecast consistently underestimates or overestimates the actual value of the projected variable. Forecast bias is determined by the sign of the mean forecast error. Calculations show that during the 1997–2024 period, IMAD overestimated GDP growth in SF_{t+1} and AF_{t+1}, which is evident from the positive values of mean forecast errors, but these values are small (0.42 p.p. and 0.24 p.p., respectively). In contrast, the mean forecast errors for GDP growth in SF_t and AF_t are negligible (-0.14 p.p. and -0.18 p.p., respectively), indicating that the forecasts are not biased. The forecasts for average annual inflation are also unbiased, as the mean error of all forecasts is small (-0.20 p.p.).

The accuracy of IMAD forecasts improves as the forecast horizon shortens. Another important factor in assessing forecasting performance is forecast accuracy, which is determined by calculating the mean absolute error (MAE) of the forecast. The MAE should be as small as possible over a longer time horizon. Between 1997 and 2024, the mean absolute error in IMAD forecasts[75] for GDP growth (Figure 74) was 1.90 p.p. in SF_{t+1} and 1.58 p.p. in AF_{t+1}; in SF_t and AF_t it amounted to 1.13 p.p. and 0.56 p.p., respectively. In certain shorter periods, such as 2002–2024, the errors were somewhat larger, which is due to the major shocks during this period. For example, forecast errors were larger during the global financial crisis, the COVID-19 epidemic and the start of the war in Ukraine due to significantly higher uncertainty. The MAEs in the inflation forecast (Figure 75) for the period 1997–2024 are slightly smaller than in the economic growth forecast, amounting to 1.08 p.p. in SF_{t+1}, 0.87 p.p. in AF_{t+1}, 0.52 p.p. in SF_t and 0.20 p.p. in AF_t. However, errors increased slightly after the outbreak of the war in Ukraine and the energy crisis, reflecting the heightened uncertainty. Absolute errors in IMAD forecasts for both economic growth and average annual inflation decrease as the forecast horizon shortens, indicating that IMAD forecasts effectively take into account all newly available information at the time of each forecast's preparation.

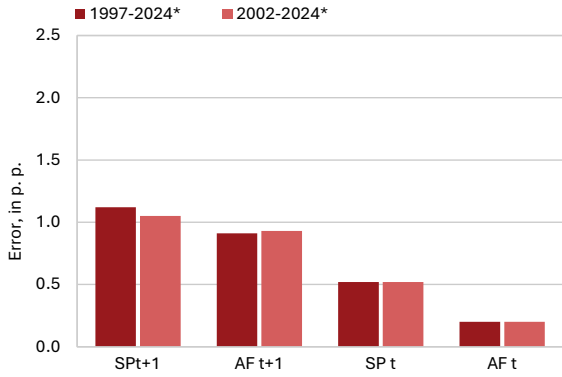
[75] For the results and statistics of other institutions, refer to the Statistical Appendix.

Figure 74: Mean absolute errors in IMAD forecasts for GDP growth



Source: IMAD forecasts. Notes: * The forecasts from 2019 for 2020 are not taken into account. In 2020, we took into account the Summer Forecast, which was published in June 2020, instead of the Spring Forecast.

Figure 75: Mean absolute errors in forecasts of average CPI inflation



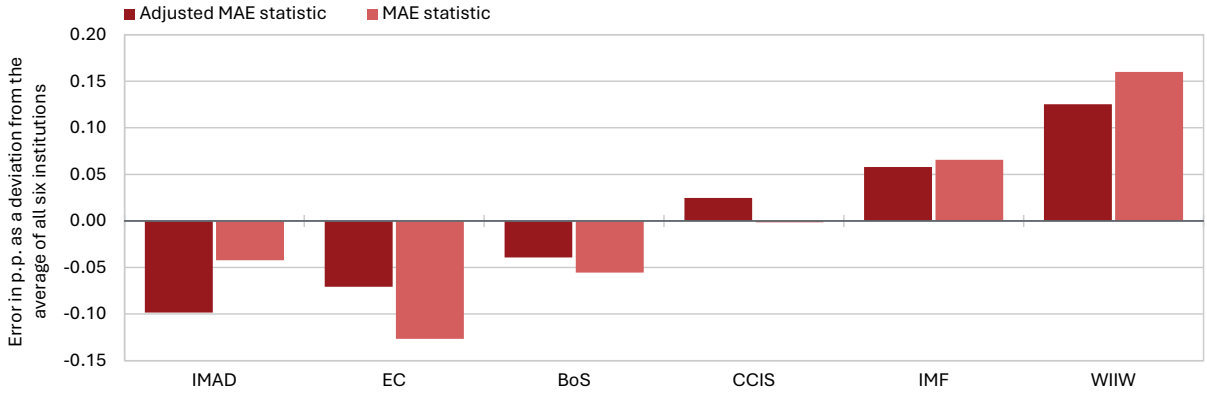
Source: IMAD forecasts. Notes: * The forecasts from 2019 (2021) for 2020 (2022) are not taken into account. In 2020, we took into account the Summer Forecast, which was published in June 2020, instead of the Spring Forecast.

When comparing the forecasting accuracy of institutions, it is essential to consider the timing of the forecast release. The release date can significantly impact accuracy, as forecasts made later in the year may incorporate new information, resulting in smaller forecast errors and vice versa. This new information may involve not only updated data on indicator movements and revisions of previously released data, but also changes in assumptions about developments in the international economic environment – a key factor for an open economy such as Slovenia's. In recent years, major external shocks – such as the COVID-19 pandemic, the war in Ukraine, the escalation of the energy crisis in 2022 and other geopolitical tensions – have significantly increased uncertainty regarding the international economic conditions. Fiscal policy also plays an important role in forecast preparation. The scope of public policy measures to mitigate various crises and natural disasters has varied significantly over the years. At the time of each forecast, these measures were not always fully defined, adopted or precisely quantified in financial terms. With the reintroduction of fiscal rules in 2025, predictability will improve somewhat due to the establishment of a medium-term upper limit on expenditures. However, some uncertainty remains, as the detailed breakdown of general government revenue and expenditure required to meet fiscal targets over the entire period has yet to be fully specified.

Even after incorporating forecasts for the year 2024, the evaluations of the adjusted MAE statistics confirm the high reliability of IMAD's forecasts for economic growth and average annual inflation. The comparative assessment of the institutions' forecasting performance was based on the calculation of the adjusted MAE statistics, which provides a less biased evaluations by eliminating the timing effect. Figures 76 and 77 rank the institutions according to the adjusted MAE statistics for economic growth and average annual inflation. A negative value of the statistic indicates above-average forecasting ability, while a positive value indicates below-average performance. According to these results, IMAD, the EC and the BoS demonstrated above-average forecasting ability in predicting GDP growth in

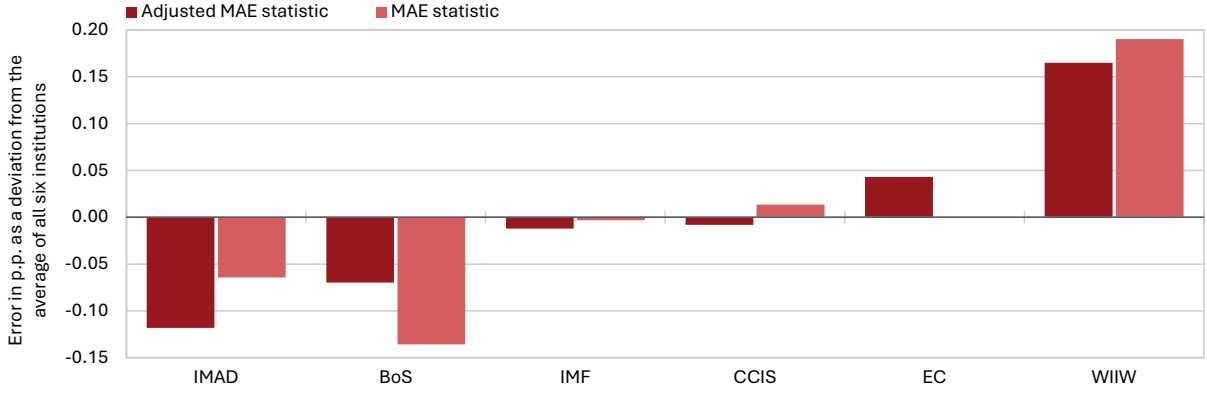
2002–2024, with IMAD, the BoS, the IMF, and CCIS showing strong performance in predicting average annual inflation.[76]

Figure 76: (Adjusted) mean absolute errors in GDP growth forecasts for 2002–2024, by forecasting institution



Source: Forecasts by individual institutions; IMAD estimates according to the methodology of Andersson, Aranki and Reslow (2017).
Note: A neg./pos. value of the statistic means that the forecast ability of the forecasting institution is above/below avg.

Figure 77: (Adjusted) mean absolute errors in average annual inflation forecasts for 2002–2024, by forecasting institution



Source: Forecasts by individual institutions; IMAD estimates according to the methodology of Andersson, Aranki and Reslow (2017).
Note: A neg./pos. value of the statistic means that the forecast ability of the forecasting institution is above/below avg.

[76] By combining CPI and HICP inflation, the assumption is implicitly made that the ability to forecast CPI inflation is equal to the ability to forecast HICP inflation. Given that the two series have similar variance and persistence, this assumption can be considered fully acceptable. It is also assumed that the expected forecast errors for CPI inflation and HICP inflation is equal in each time period. Since the time paths of the two inflation measures are very similar, this assumption is not particularly problematic. Both inflation measures are shown in Figure 72.

statistical appendix

Table of contents

The statistical appendix in XLS format, from 2010 to 2029, is available on IMAD's website.

Table 1: Main macroeconomic indicators of Slovenia

Real growth rates in %, unless otherwise indicated

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
GROSS DOMESTIC PRODUCT	3.5	-4.1	8.4	2.7	2.1	1.6	2.1	2.4	2.3	2.2	2.2
GDP in EUR m (current prices)	48,157	46,739	52,023	56,909	63,951	66,968	70,279	73,912	77,464	81,147	84,630
GDP per capita in EUR (at current prices and at current exchange rate)	23,052	22,227	24,682	26,979	30,158	31,490	32,868	34,468	36,034	37,663	39,200
GDP per capita in USD (at current prices and at current exchange rate)	25,807	25,388	29,191	28,409	32,610	34,085	34,210	35,893	37,524	39,220	40,821
GDP per capita (PPS)[1]	27,500	26,700	29,300	32,100	35,000						
GDP per capita (PPS EU27_2020=100)[1]	87	88	88	89	92						
EMPLOYMENT AND PRODUCTIVITY											
Employment according to National Accounts	2.4	-0.7	1.3	2.9	1.6	0.1	0.1	0.4	0.5	0.4	0.3
Registered unemployed (annual average in thousand)	74.2	85.0	74.3	56.7	48.7	46.0	45.4	44.8	44.3	43.8	43.4
Rate of registered unemployment in %	7.7	8.7	7.6	5.8	5.0	4.6	4.6	4.5	4.5	4.4	4.3
ILO unemployment rate in %	4.5	5.0	4.7	4.0	3.7	3.7*	3.7	3.7	3.7	3.7	3.7
Labour productivity (GDP per employee)	1.0	-3.4	7.0	-0.2	0.5	1.4	2.0	2.0	1.7	1.8	1.9
WAGES											
Gross wage per employee - nominal growth in %	4.3	5.8	6.1	2.8	9.7	6.2	6.2	5.5	5.1	4.6	3.7
Private sector activities	3.9	4.4	6.1	6.2	9.4	7.0	5.8	5.6	5.3	4.8	4.7
Public service activities	5.4	7.8	6.5	-2.5	10.3	4.6	6.7	5.2	4.8	4.2	1.9
Gross wage per employee - real growth in %	2.7	5.9	4.1	-5.6	2.2	4.1	3.8	3.1	3.0	2.5	1.7
Private sector activities	2.2	4.5	4.1	-2.4	1.9	4.9	3.5	3.3	3.1	2.7	2.6
Public service activities	3.7	7.9	4.5	-10.4	2.7	2.5	4.4	2.9	2.7	2.1	-0.1
INTERNATIONAL TRADE											
Exports of goods and services	4.5	-8.5	14.5	6.8	-2.0	3.2	2.6	3.4	3.1	2.7	3.4
Exports of goods	4.5	-5.5	13.4	2.2	-2.7	3.6	2.3	3.1	2.7	2.1	3.0
Exports of services	4.6	-19.7	19.1	25.9	0.6	1.7	3.6	4.5	4.4	4.5	4.5
Imports of goods and services	4.7	-9.1	17.8	9.2	-4.5	3.9	2.7	3.9	3.5	3.3	3.8
Imports of goods	5.0	-8.6	17.2	7.7	-5.3	3.9	2.5	3.9	3.3	3.1	3.7
Imports of services	3.0	-12.0	20.7	17.3	0.4	4.0	3.7	3.9	4.3	4.2	4.2

Table 1: Main macroeconomic indicators of Slovenia - continue

Real growth rates in %, unless otherwise indicated

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
BALANCE OF PAYMENTS STATISTICS											
Current account balance in EUR m	3,105	3,586	1,951	-637	2,858	3,285	3,067	2,892	2,634	2,516	2,292
As a per cent share relative to GDP	6.4	7.7	3.8	-1.1	4.5	4.9	4.4	3.9	3.4	3.1	2.7
External balance of goods and services in EUR m	4,206	4,247	3,082	1,010	4,019	4,303	4,500	4,506	4,604	4,528	4,479
As a per cent share relative to GDP	8.7	9.1	5.9	1.8	6.3	6.4	6.4	6.1	5.9	5.6	5.3
DOMESTIC DEMAND											
Final consumption	4.6	-3.5	9.3	3.6	0.7	3.5	2.4	2.8	2.4	2.3	2.1
As a % of GDP	70.5	70.8	72.3	73.8	71.4	72.3	72.6	72.9	73.0	72.9	72.7
in which:											
Private consumption	5.5	-6.1	10.5	5.3	0.1	1.6	2.2	2.3	2.4	2.3	2.2
As a % of GDP	52.0	50.1	51.4	54.4	52.1	51.7	51.5	51.2	51.1	51.0	51.0
Government consumption	1.9	4.1	6.2	-0.7	2.4	8.5	2.7	4.1	2.2	2.0	1.8
As a % of GDP	18.5	20.7	20.8	19.4	19.2	20.6	21.1	21.6	21.8	21.9	21.7
Gross fixed capital formation	4.9	-7.2	12.3	4.2	3.9	-3.7	1.0	3.0	2.6	4.0	4.0
As a % of GDP	19.8	19.0	20.3	21.9	21.3	20.1	19.7	19.8	19.8	20.2	20.8
EXCHANGE RATE AND PRICES											
Ratio of USD to EUR	1.120	1.141	1.184	1.054	1.082	1.082	1.041	1.041	1.041	1.041	1.041
Real effective exchange rate - deflated by CPI[2]	-0.4	-0.5	-0.5	-0.4	2.4	-0.1	0.1	0.3	0.2	0.2	0.2
Inflation (end of the year), %[3]	1.8	-1.1	4.9	10.3	4.2	1.9	2.7	2.2	2.1	2.0	2.0
Inflation (year average), %[3]	1.6	-0.1	1.9	8.8	7.4	2.0	2.3	2.3	2.1	2.1	2.0
Brent Crude Oil Price USD / barrel	64.3	41.8	70.7	100.8	82.5	80.5	75.7	71.1	69.4	68.6	68.6

Source: SURS, BoS, Eurostat, calculations and forecasts by IMAD.
Note: [1] Measured in purchasing power standard. [2] Growth in value denotes real appreciation of national currency and vice versa. [3] Consumer price index.
*IMAD estimate (data for Q4 2024 were not yet available at the time of the publication).

Table 2a: Gross value added by activity at basic prices and gross domestic product

EUR million, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	852.6	886.8	786.2	973.3	971.6	999.4	1,106.9	1,125.7	1,146.5	1,164.5	1,178.0
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	11,275.7	11,076.9	11,887.5	12,560.8	15,036.0	15,238.2	15,883.0	16,674.6	17,468.8	18,258.1	19,000.3
	of which: C Manufacturing	9,907.9	9,589.7	10,381.3	11,340.0	12,530.8	12,877.6	13,423.2	14,191.1	14,888.5	15,531.5	16,164.3
F	Construction	2,475.9	2,451.5	2,769.1	3,379.2	3,958.1	4,024.3	4,322.8	4,538.2	4,632.3	4,991.3	5,306.3
GHI	Trade, transportation and storage, accommodation and food service activities	8,766.6	7,954.9	9,102.0	10,164.4	11,372.6	11,778.8	12,473.8	13,120.1	13,828.0	14,419.8	15,022.7
J	Information and communication	1,721.2	1,795.9	2,020.3	2,209.9	2,463.2	2,601.3	2,754.9	2,994.2	3,253.5	3,521.8	3,757.6
K	Financial and insurance activities	1,573.3	1,594.4	1,905.9	2,074.7	2,738.5	3,005.2	3,126.7	3,311.3	3,447.9	3,611.8	3,774.5
L	Real estate activities	3,016.4	3,058.4	3,274.4	3,794.2	4,107.6	4,448.8	4,504.9	4,620.2	4,764.8	4,910.2	5,036.3
MN	Professional, scientific, technical, administrative and support services	4,190.9	3,898.4	4,433.6	5,073.4	5,593.7	5,894.0	6,150.1	6,542.0	6,995.0	7,424.1	7,802.9
OPQ	Public administration, education, human health and social work	6,903.3	7,542.9	8,382.9	8,545.0	9,382.4	9,887.9	10,350.9	10,900.9	11,374.7	11,832.6	12,240.0
RST	Other service activities	1,045.2	879.2	968.0	1,185.2	1,273.6	1,375.8	1,447.7	1,552.2	1,671.7	1,785.2	1,905.0
1. TOTAL VALUE ADDED		**41,821.1**	**41,139.2**	**45,529.7**	**49,959.9**	**56,897.4**	**59,253.7**	**62,121.7**	**65,379.3**	**68,583.2**	**71,919.4**	**75,023.6**
2. CORRECTIONS		6,335.4	5,599.5	6,492.9	6,948.9	7,053.8	7,714.5	8,157.0	8,532.8	8,880.5	9,227.5	9,606.4
3. GROSS DOMESTIC PRODUCT (3=1+2)		**48,156.5**	**46,738.7**	**52,022.6**	**56,908.8**	**63,951.2**	**66,968.1**	**70,278.8**	**73,912.0**	**77,463.7**	**81,146.9**	**84,629.9**

Source: SURS, forecasts by IMAD.

Table 2b: Gross value added by activity at basic prices and gross domestic product

Structure in %, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	1.8	1.9	1.5	1.7	1.5	1.5	1.6	1.5	1.5	1.4	1.4
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	23.4	23.7	22.9	22.1	23.5	22.8	22.6	22.6	22.6	22.5	22.5
	of which: C Manufacturing	20.6	20.5	20.0	19.9	19.6	19.2	19.1	19.2	19.2	19.1	19.1
F	Construction	5.1	5.2	5.3	5.9	6.2	6.0	6.2	6.1	6.0	6.2	6.3
GHI	Trade, transportation and storage, accommodation and food service activities	18.2	17.0	17.5	17.9	17.8	17.6	17.7	17.8	17.9	17.8	17.8
J	Information and communication	3.6	3.8	3.9	3.9	3.9	3.9	3.9	4.1	4.2	4.3	4.4
K	Financial and insurance activities	3.3	3.4	3.7	3.6	4.3	4.5	4.4	4.5	4.5	4.5	4.5
L	Real estate activities	6.3	6.5	6.3	6.7	6.4	6.6	6.4	6.3	6.2	6.1	6.0
MN	Professional, scientific, technical, administrative and support services	8.7	8.3	8.5	8.9	8.7	8.8	8.8	8.9	9.0	9.1	9.2
OPQ	Public administration, education, human health and social work	14.3	16.1	16.1	15.0	14.7	14.8	14.7	14.7	14.7	14.6	14.5
RST	Other service activities	2.2	1.9	1.9	2.1	2.0	2.1	2.1	2.1	2.2	2.2	2.3
1. TOTAL VALUE ADDED		**86.8**	**88.0**	**87.5**	**87.8**	**89.0**	**88.5**	**88.4**	**88.5**	**88.5**	**88.6**	**88.6**
2. CORRECTIONS		13.2	12.0	12.5	12.2	11.0	11.5	11.6	11.5	11.5	11.4	11.4
3. GROSS DOMESTIC PRODUCT (3=1+2)		**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SURS, forecasts by IMAD.

Table 3a: Gross value added by activity at basic prices and gross domestic product

EUR million

		constant previous year prices						constant 2024 prices				
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	866.0	913.2	759.6	788.3	935.6	937.7	1,028.9	1,038.7	1,048.6	1,058.5	1,068.6
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	11,166.2	10,972.9	11,897.8	11,635.6	13,024.2	15,433.7	15,581.2	15,947.5	16,322.5	16,657.2	16,982.2
	of which: C Manufacturing	9,931.7	9,675.4	10,446.2	10,029.9	11,492.7	12,921.8	13,199.5	13,555.9	13,921.9	14,242.1	14,555.5
F	Construction	2,409.7	2,471.9	2,635.1	2,999.4	3,851.4	3,904.6	4,143.4	4,236.7	4,293.9	4,437.8	4,588.7
GHI	Trade, transportation and storage, accommodation and food service activities	8,669.8	8,060.4	8,803.8	9,225.6	10,268.3	11,450.0	12,043.9	12,376.4	12,716.8	13,015.8	13,328.2
J	Information and communication	1,672.0	1,781.4	2,028.5	2,213.2	2,353.7	2,580.9	2,730.1	2,884.4	3,018.5	3,158.9	3,305.8
K	Financial and insurance activities	1,556.8	1,589.5	1,966.7	1,942.4	2,023.6	2,805.5	3,060.8	3,152.7	3,223.6	3,296.2	3,370.4
L	Real estate activities	2,956.2	3,017.1	3,145.1	3,368.2	3,822.2	4,196.0	4,491.1	4,533.8	4,576.9	4,620.5	4,664.4
MN	Professional, scientific, technical, administrative and support services	3,951.6	3,786.0	4,243.7	4,891.0	5,182.8	5,694.8	5,997.2	6,135.1	6,297.8	6,483.6	6,675.0
OPQ	Public administration, education, human health and social work	6,532.5	7,070.1	7,862.4	8,537.0	8,577.3	9,529.1	10,051.1	10,257.3	10,436.9	10,609.2	10,784.4
RST	Other service activities	1,010.8	879.4	939.6	1,129.4	1,187.4	1,307.8	1,415.0	1,463.9	1,514.4	1,556.0	1,598.8
1. TOTAL VALUE ADDED		**40,791.4**	**40,541.9**	**44,282.3**	**46,730.3**	**51,226.4**	**57,840.1**	**60,542.9**	**62,026.4**	**63,449.9**	**64,893.8**	**66,366.5**
2. CORRECTIONS		6,264.6	5,647.4	6,377.6	6,696.6	6,884.6	7,128.4	7,847.6	8,037.6	8,209.2	8,371.2	8,536.4
3. GROSS DOMESTIC PRODUCT (3=1+2)		**47,056.0**	**46,189.3**	**50,659.9**	**53,426.9**	**58,111.0**	**64,968.7**	**68,390.4**	**70,064.0**	**71,659.1**	**73,265.0**	**74,902.9**

Source: SURS, forecasts by IMAD.

Table 3b: Gross value added by activity at basic prices and gross domestic product

Real growth rates in %

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
A	Agriculture, forestry and fishing	-4.3	7.1	-14.3	0.3	-3.9	-3.5	3.0	1.0	1.0	1.0	1.0
BCDE	Mining and quarrying, manufacturing, electricity and water supply, waste management	6.0	-2.7	7.4	-2.1	3.7	2.6	2.3	2.4	2.4	2.1	2.0
	of which: C Manufacturing	7.1	-2.3	8.9	-3.4	1.3	3.1	2.5	2.7	2.7	2.3	2.2
F	Construction	8.2	-0.2	7.5	8.3	14.0	-1.4	3.0	2.3	1.4	3.4	3.4
GHI	Trade, transportation and storage, accommodation and food service activities	3.6	-8.1	10.7	1.4	1.0	0.7	2.3	2.8	2.8	2.4	2.4
J	Information and communication	10.8	3.5	13.0	9.6	6.5	4.8	5.0	5.7	4.7	4.7	4.7
K	Financial and insurance activities	3.7	1.0	23.4	1.9	-2.5	2.4	1.9	3.0	2.3	2.3	2.3
L	Real estate activities	1.9	0.0	2.8	2.9	0.7	2.2	1.0	1.0	1.0	1.0	1.0
MN	Professional, scientific, technical, administrative and support services	-1.5	-9.7	8.9	10.3	2.2	1.8	1.8	2.3	2.7	3.0	3.0
OPQ	Public administration, education, human health and social work	1.7	2.4	4.2	1.8	0.4	1.6	1.7	2.1	1.8	1.7	1.7
RST	Other service activities	4.0	-15.9	6.9	16.7	0.2	2.7	2.9	3.5	3.5	2.8	2.8
1. TOTAL VALUE ADDED		**3.6**	**-3.1**	**7.6**	**2.6**	**2.5**	**1.7**	**2.2**	**2.5**	**2.3**	**2.3**	**2.3**
2. CORRECTIONS		2.6	-10.9	13.9	3.1	-0.9	1.1	1.7	2.4	2.1	2.0	2.0
3. GROSS DOMESTIC PRODUCT (3=1+2)		**3.5**	**-4.1**	**8.4**	**2.7**	**2.1**	**1.6**	**2.1**	**2.4**	**2.3**	**2.2**	**2.2**

Source: SURS, forecasts by IMAD.

Table 4a: Gross domestic product and primary incomes
(prepared ex post, after the SURS publication, on 5 March 2025)

EUR million, current prices

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
1. Compensation of employees	24,391.7	25,114.3	27,424.8	29,534.5	32,713.9	34,687.3	37,209.1	39,404.4	41,571.7	43,673.3	45,431.4
Wages and salaries	20,940.0	21,506.6	23,484.5	25,355.7	28,123.4	29,814.2	31,987.9	33,875.2	35,738.3	37,545.0	39,056.4
Employers' social contributions	3,451.7	3,607.7	3,940.4	4,178.8	4,590.4	4,873.1	5,221.2	5,529.3	5,833.4	6,128.3	6,375.0
2. Taxes on production and imports	**6,985.2**	**6,216.8**	**7,189.5**	**7,773.8**	**8,346.0**	**8,753.7**	**9,098.4**	**9,485.6**	**9,870.4**	**10,262.6**	**10,677.0**
Taxes on products and services	6,402.9	5,654.7	6,578.9	7,057.7	7,569.0	...	...	...	...	...	...
Other taxes on production	582.4	562.1	610.6	716.1	776.9	...	...	...	...	...	...
3. Subsidies	**742.2**	**2,219.4**	**1,637.2**	**1,009.5**	**1,476.4**	**978.5**	**997.5**	**899.7**	**894.9**	**981.4**	**1,043.1**
Subsidies on products and services	67.5	55.3	85.9	108.8	515.2	...	...	...	...	...	...
Other subsidies on production	674.8	2,164.1	1,551.2	900.7	961.2	...	...	...	...	...	...
4. Gross operating surplus / mixed income	**17,521.8**	**17,626.9**	**19,045.5**	**20,610.0**	**24,367.8**	**24,505.7**	**24,968.7**	**25,921.8**	**26,916.6**	**28,192.4**	**29,564.6**
Consumption of fixed capital	8,487.7	8,722.6	9,450.4	10,877.4	11,515.5	...	...	...	...	...	...
Net operating surplus	9,034.1	8,904.3	9,595.2	9,732.7	12,852.2	...	...	...	...	...	...
5. Gross domestic product (5=1+2-3+4)	**48,156.5**	**46,738.7**	**52,022.6**	**56,908.8**	**63,951.2**	**66,968.1**	**70,278.8**	**73,912.0**	**77,463.7**	**81,146.9**	**84,629.9**

Source: SURS, forecasts by IMAD.

Table 4b: Gross domestic product and primary incomes
(prepared ex post, after the SURS publication, on 5 March 2025)

Structure in %, current prices

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
1. Compensation of employees	50.7	53.7	52.7	51.9	51.2	51.8	52.9	53.3	53.7	53.8	53.7
Wages and salaries	43.5	46.0	45.1	44.6	44.0	44.5	45.5	45.8	46.1	46.3	46.1
Employers' social contributions	7.2	7.7	7.6	7.3	7.2	7.3	7.4	7.5	7.5	7.6	7.5
2. Taxes on production and imports	**14.5**	**13.3**	**13.8**	**13.7**	**13.1**	**13.1**	**12.9**	**12.8**	**12.7**	**12.6**	**12.6**
Taxes on products and services	13.3	12.1	12.6	12.4	11.8	...	...	...	...	...	...
Other taxes on production	1.2	1.2	1.2	1.3	1.2	...	...	...	...	...	...
3. Subsidies	**1.5**	**4.7**	**3.1**	**1.8**	**2.3**	**1.5**	**1.4**	**1.2**	**1.2**	**1.2**	**1.2**
Subsidies on products and services	0.1	0.1	0.2	0.2	0.8	...	...	...	...	...	...
Other subsidies on production	1.4	4.6	3.0	1.6	1.5	...	...	...	...	...	...
4. Gross operating surplus / mixed income	**36.4**	**37.7**	**36.6**	**36.2**	**38.1**	**36.6**	**35.5**	**35.1**	**34.7**	**34.7**	**34.9**
Consumption of fixed capital	17.6	18.7	18.2	19.1	18.0	...	...	...	...	...	...
Net operating surplus	18.8	19.1	18.4	17.1	20.1	...	...	...	...	...	...
5. Gross domestic product (5=1+2-3+4)	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: SURS, forecasts by IMAD.

Table 5: Gross domestic product by expenditures

EUR million, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**48,156.5**	**46,738.7**	**52,022.6**	**56,908.8**	**63,951.2**	**66,968.1**	**70,278.8**	**73,912.0**	**77,463.7**	**81,146.9**	**84,629.9**
2	EXPORTS OF GOODS AND SERVICES	40,623.4	36,583.2	43,687.2	53,484.4	53,240.1	54,602.3	56,534.4	58,932.4	61,383.1	63,704.5	66,545.3
3	IMPORTS OF GOODS AND SERVICES	36,448.3	32,379.3	40,632.5	52,490.9	49,144.9	50,191.1	51,920.5	54,305.8	56,652.0	59,043.4	61,925.7
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	4,175.1	4,204.0	3,054.7	993.5	4,095.2	4,411.1	4,613.8	4,626.6	4,731.1	4,661.1	4,619.6
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	43,981.4	42,534.7	48,967.9	55,915.3	59,856.0	62,557.0	65,664.9	69,285.5	72,732.6	76,485.8	80,010.3
6	FINAL CONSUMPTION (6=7+8)	33,948.2	33,098.4	37,598.2	42,018.7	45,642.1	48,390.5	51,023.4	53,875.3	56,519.9	59,156.0	61,507.1
7	PRIVATE CONSUMPTION	25,049.0	23,414.6	26,762.8	30,973.0	33,344.6	34,618.8	36,207.8	37,876.7	39,614.0	41,391.4	43,160.8
	Households	24,620.0	23,002.5	26,278.8	30,341.7	32,665.2	33,900.1	35,459.8	37,098.8	38,805.9	40,551.9	42,289.4
	NPISH's	429.0	412.1	484.0	631.3	679.4	718.7	748.1	777.9	808.2	839.6	871.4
8	GOVERNMENT CONSUMPTION	8,899.2	9,683.7	10,835.4	11,045.7	12,297.6	13,771.6	14,815.6	15,998.6	16,905.9	17,764.6	18,346.4
9	GROSS CAPITAL FORMATION (9=10+11)	10,033.2	9,436.4	11,369.7	13,896.6	14,213.9	14,166.6	14,641.5	15,410.1	16,212.7	17,329.7	18,503.2
10	GROSS FIXED CAPITAL FORMATION	9,514.9	8,891.5	10,545.6	12,475.3	13,644.2	13,431.4	13,857.5	14,608.8	15,355.8	16,425.1	17,568.8
11	CHANGES IN INVENTORIES AND VALUABLES	518.2	544.9	824.2	1,421.2	569.7	735.1	784.1	801.4	856.9	904.6	934.3

Source: SURS, forecasts by IMAD.

Table 5b: Gross domestic product by expenditures

Structure in %, current prices

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
2	EXPORTS OF GOODS AND SERVICES	84.4	78.3	84.0	94.0	83.3	81.5	80.4	79.7	79.2	78.5	78.6
3	IMPORTS OF GOODS AND SERVICES	75.7	69.3	78.1	92.2	76.8	74.9	73.9	73.5	73.1	72.8	73.2
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	8.7	9.0	5.9	1.7	6.4	6.6	6.6	6.3	6.1	5.7	5.5
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	91.3	91.0	94.1	98.3	93.6	93.4	93.4	93.7	93.9	94.3	94.5
6	FINAL CONSUMPTION (6=7+8)	70.5	70.8	72.3	73.8	71.4	72.3	72.6	72.9	73.0	72.9	72.7
7	PRIVATE CONSUMPTION	52.0	50.1	51.4	54.4	52.1	51.7	51.5	51.2	51.1	51.0	51.0
	Households	51.1	49.2	50.5	53.3	51.1	50.6	50.5	50.2	50.1	50.0	50.0
	NPISH's	0.9	0.9	0.9	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0
8	GOVERNMENT CONSUMPTION	18.5	20.7	20.8	19.4	19.2	20.6	21.1	21.6	21.8	21.9	21.7
9	GROSS CAPITAL FORMATION (9=10+11)	20.8	20.2	21.9	24.4	22.2	21.2	20.8	20.8	20.9	21.4	21.9
10	GROSS FIXED CAPITAL FORMATION	19.8	19.0	20.3	21.9	21.3	20.1	19.7	19.8	19.8	20.2	20.8
11	CHANGES IN INVENTORIES AND VALUABLES	1.1	1.2	1.6	2.5	0.9	1.1	1.1	1.1	1.1	1.1	1.1

Source: SURS, forecasts by IMAD.

Table 6a: Gross domestic product by expenditures

EUR million

		constant previous year prices						constant 2024 prices				
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**47,056.0**	**46,189.3**	**50,659.9**	**53,426.9**	**58,111.0**	**64,968.7**	**68,390.4**	**70,064.0**	**71,659.1**	**73,265.0**	**74,902.9**
2	EXPORTS OF GOODS AND SERVICES	40,644.6	37,157.9	41,879.0	46,643.0	52,424.6	54,931.6	56,043.2	57,957.2	59,782.8	61,412.7	63,477.8
3	IMPORTS OF GOODS AND SERVICES	36,661.8	33,125.2	38,138.4	44,364.7	50,143.3	51,065.2	51,537.2	53,548.9	55,396.4	57,198.1	59,363.9
4	EXTERNAL BALANCE OF GOODS AND SERVICES (4=2-3)	3,982.8	4,032.7	3,740.6	2,278.3	2,281.2	3,866.3	4,506.0	4,408.3	4,386.4	4,214.5	4,113.8
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	43,073.2	42,156.5	46,919.3	51,148.6	55,829.8	61,102.4	63,884.5	65,655.7	67,272.7	69,050.5	70,789.1
6	FINAL CONSUMPTION (6=7+8)	33,235.5	32,770.7	36,168.2	38,936.1	42,324.6	47,225.0	49,544.1	50,916.3	52,129.0	53,304.4	54,434.7
7	PRIVATE CONSUMPTION	24,703.8	23,508.6	25,884.5	28,181.0	31,018.6	33,887.2	35,393.8	36,192.7	37,074.2	37,940.9	38,787.0
	Households	24,288.5	23,092.1	25,411.0	27,591.2	30,390.0	33,203.4	34,662.5	35,449.4	36,317.9	37,171.3	38,004.0
	NPISH's	415.3	416.5	473.5	589.8	628.6	683.8	731.3	743.3	756.4	769.6	783.1
8	GOVERNMENT CONSUMPTION	8,531.7	9,262.1	10,283.8	10,755.1	11,306.0	13,337.9	14,150.3	14,723.5	15,054.8	15,363.5	15,647.7
9	GROSS CAPITAL FORMATION (9=10+11)	9,837.8	9,385.9	10,751.0	12,212.5	13,505.2	13,877.3	14,340.4	14,739.4	15,143.6	15,746.1	16,354.4
10	GROSS FIXED CAPITAL FORMATION	9,316.6	8,831.4	9,982.8	10,986.5	12,958.6	13,134.1	13,572.4	13,973.0	14,343.2	14,924.1	15,528.6
11	CHANGES IN INVENTORIES AND VALUABLES	521.1	554.5	768.2	1,226.0	546.5	743.3	767.9	766.5	800.4	822.0	825.8

Source: SURS, forecasts by IMAD.

Table 6b: Gross domestic product by expenditures

Real growth rates in %

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
								forecast				
1	**GROSS DOMESTIC PRODUCT (1=4+5)**	**3.5**	**-4.1**	**8.4**	**2.7**	**2.1**	**1.6**	**2.1**	**2.4**	**2.3**	**2.2**	**2.2**
2	EXPORTS OF GOODS AND SERVICES	4.5	-8.5	14.5	6.8	-2.0	3.2	2.6	3.4	3.1	2.7	3.4
3	IMPORTS OF GOODS AND SERVICES	4.7	-9.1	17.8	9.2	-4.5	3.9	2.7	3.9	3.5	3.3	3.8
4	*EXTERNAL BALANCE OF GOODS AND SERVICES*[1]	*0.2*	*-0.3*	*-1.0*	*-1.5*	*2.3*	*-0.4*	*0.1*	*-0.1*	*0.0*	*-0.2*	*-0.1*
5	TOTAL DOMESTIC CONSUMPTION (5=6+9)	3.6	-4.1	10.3	4.5	-0.2	2.1	2.1	2.8	2.5	2.6	2.5
6	FINAL CONSUMPTION (6=7+8)	4.6	-3.5	9.3	3.6	0.7	3.5	2.4	2.8	2.4	2.3	2.1
7	PRIVATE CONSUMPTION	5.5	-6.1	10.5	5.3	0.1	1.6	2.2	2.3	2.4	2.3	2.2
	Households	5.5	-6.2	10.5	5.0	0.2	1.6	2.2	2.3	2.4	2.3	2.2
	NPISH's	2.9	-2.9	14.9	21.9	-0.4	0.7	1.7	1.7	1.7	1.7	1.7
8	GOVERNMENT CONSUMPTION	1.9	4.1	6.2	-0.7	2.4	8.5	2.7	4.1	2.2	2.0	1.8
9	GROSS CAPITAL FORMATION (9=10+11)	0.4	-6.5	13.9	7.4	-2.8	-2.4	1.2	2.8	2.7	4.0	3.9
10	GROSS FIXED CAPITAL FORMATION	4.9	-7.2	12.3	4.2	3.9	-3.7	1.0	3.0	2.6	4.0	4.0
11	*CHANGES IN INVENTORIES AND VALUABLES*[1]	*-0.9*	*0.1*	*0.5*	*0.8*	*-1.5*	*0.3*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*

Source: SURS, forecasts by IMAD.
Note: [1] Contribution to real GDP growth (percentage points).

Table 7: Balance of payments - balance of payments statistics

EUR million

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
I. CURRENT ACCOUNT	**3,105**	**3,586**	**1,951**	**-637**	**2,858**	**3,285**	**3,067**	**2,892**	**2,634**	**2,516**	**2,292**
1. GOODS	1,298	2,333	882	-2,459	431	678	664	372	213	-165	-519
1.1. Exports of goods	31,999	29,622	35,255	42,328	41,420	42,213	43,425	44,978	46,619	48,068	49,997
1.2. Imports of goods	30,701	27,289	34,373	44,787	40,990	41,535	42,760	44,606	46,406	48,234	50,516
2. SERVICES	2,909	1,913	2,200	3,469	3,589	3,625	3,835	4,134	4,391	4,693	4,998
2.1. Exports	8,660	6,985	8,473	11,219	11,906	12,488	13,214	14,066	14,882	15,761	16,681
Transport	2,512	2,316	2,658	3,397	3,310	3,492	3,637	3,836	4,022	4,217	4,421
Travel	2,843	1,237	1,685	2,972	3,271	3,358	3,549	3,737	3,913	4,096	4,288
Other	3,305	3,433	4,130	4,850	5,324	5,637	6,029	6,493	6,947	7,448	7,971
2.2. Imports	5,751	5,072	6,273	7,750	8,317	8,863	9,379	9,932	10,490	11,068	11,682
Transport	1,185	1,128	1,553	1,914	1,589	1,766	1,843	1,946	2,040	2,139	2,243
Travel	1,500	805	1,173	1,833	2,434	2,582	2,760	2,899	3,025	3,145	3,269
Other	3,066	3,138	3,547	4,003	4,294	4,515	4,776	5,087	5,425	5,784	6,171
1., 2. EXTERNAL BALANCE OF GOODS AND SERVICES	**4,206**	**4,247**	**3,082**	**1,010**	**4,019**	**4,303**	**4,500**	**4,506**	**4,604**	**4,528**	**4,479**
Exports of goods and services	40,659	36,608	43,728	53,547	53,326	54,701	56,639	59,044	61,501	63,829	66,677
Imports of goods and services	36,453	32,361	40,645	52,537	49,306	50,398	52,139	54,537	56,897	59,302	62,198
3. PRIMARY INCOME	**-617**	**-120**	**-505**	**-907**	**-638**	**-571**	**-904**	**-1,153**	**-1,350**	**-1,402**	**-1,502**
3.1. Receipts	1,660	1,636	1,968	2,077	3,037	3,039	3,126	3,059	3,073	3,232	3,377
Compensation of employees	526	570	598	676	761	642	660	680	710	740	770
Investment	846	714	1,002	1,102	2,046	2,166	1,969	1,893	1,928	2,019	2,150
Other primary income	288	351	368	299	229	232	497	486	435	473	457
3.2. Expenditure	2,276	1,756	2,473	2,984	3,675	3,610	4,029	4,212	4,423	4,634	4,879
Compensation of employees	195	178	202	236	294	334	355	390	430	460	485
Investment	2,010	1,508	2,182	2,633	3,285	3,258	3,472	3,649	3,816	3,994	4,214
Other primary income	71	70	90	115	96	18	203	173	177	179	180
4. SECONDARY INCOME	**-484**	**-541**	**-626**	**-739**	**-523**	**-448**	**-528**	**-461**	**-619**	**-610**	**-685**
4.1. Receipts	1,002	1,061	1,157	1,314	1,734	1,789	1,828	1,870	1,824	1,860	1,815
4.2. Expenditure	1,486	1,601	1,783	2,053	2,257	2,237	2,356	2,331	2,443	2,470	2,500
II. CAPITAL ACCOUNT	**-210**	**-241**	**171**	**-158**	**8**	**-94**					
1. Non-produced non-financial assets	-59	-96	-86	-198	-378	2					
2. Capital transfers	-152	-146	257	40	386	-95					
III. FINANCIAL ACCOUNT	**2,014**	**3,670**	**1,774**	**-1,784**	**2,160**	**2,250**					
1. Direct investment	-762	262	-414	-1,416	-572	-511					
Assets	1,157	708	1,442	767	766	1,299					
Liabilities	1,919	446	1,856	2,183	1,338	1,810					
2. Portfolio investment	734	-1,136	2,778	-12	-253	3,516					
3 Financial derivatives	-163	53	30	-79	138	-105					
4. Other investment	2,168	4,325	-1,444	-446	2,845	-978					
4.1. Assets	3,274	4,830	2,923	2,980	5,788	-1,515					
4.2. Liabilities	1,106	505	4,367	3,426	2,943	-536					
5. Reserve assets	37	166	824	168	2	329					
IV. NET ERRORS AND OMISSIONS	**-881**	**325**	**-349**	**-989**	**-706**	**-941**					

Source: BoS, forecasts by IMAD.

Note: The Slovenian Balance of Payments and International Investment Position conforms to the methodology of the the IMF's 'Balance of Payments and International Investment Position Manual' (2009).

Table 8: Labour market

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
LABOUR SUPPLY											
Activity rate (20–64 years, in %)	79.9	79.5	79.8	81.1	81.1	81.4*	80.6	81.0	81.4	81.7	81.9
Active population (ILO definition - in thousands)	1,028	1,029	1,020	1,027	1,029	1,032*	1,021	1,025	1,030	1,035	1,038
- yearly growth (in %)	-0.5	0.1	-0.9	0.8	0.2	0.3*	-1.1	0.4	0.5	0.5	0.3
EMPLOYMENT AND UNEMPLOYMENT											
Employment (National accounts concept, in thousands)	1,045.7	1,038.4	1,051.9	1,082.4	1,100.2	1,101.8	1,103.3	1,107.7	1,113.5	1,118.3	1,122.2
- yearly growth (in %)	2.4	-0.7	1.3	2.9	1.6	0.1	0.1	0.4	0.5	0.4	0.3
Employment (ILO concept, in thousands)	982.3	978.1	971.7	986.2	989.4	990.4*	979.5	983.4	988.5	992.8	996.3
- yearly growth (in %)	0.2	-0.4	-0.7	1.5	0.3	0.1*	-1.1	0.4	0.5	0.4	0.3
Employment rate (20–64 yeras, in %)	76.4	75.6	76.1	77.9	78.4	78.5*	77.7	78.0	78.4	78.7	78.8
Formal employment (statistical register, in thousands) **	894.2	888.9	900.3	922.0	933.7	944.0	939.3	943.3	948.4	952.8	956.3
- yearly growth (in %)	2.5	-0.6	1.3	2.4	1.3	1.1	-0.5	0.4	0.5	0.5	0.4
Paid employment (in thousands)	801.9	794.6	804.4	824.1	833.4	841.3	837.1	840.8	845.4	849.4	852.4
- yearly growth (in %)	2.8	-0.9	1.2	2.4	1.1	0.9	-0.5	0.4	0.6	0.5	0.3
Self employed (in thousands)	92.3	94.3	95.8	97.9	100.4	102.7	102.2	102.6	103.0	103.4	106.9
- yearly growth (in %)	-0.3	2.1	1.6	2.1	2.6	2.3	-0.5	0.3	0.4	0.4	3.4
Unemployment (ILO concept, in thousands)	45.7	51.1	47.8	41.3	39.8	38.3*	38.2	38.1	38.0	38.4	38.4
- yearly growth (in %)	-13.4	11.8	-6.5	-13.7	-3.6	-3.6*	-0.3	-0.2	-0.2	0.9	-0.1
Unemployment (registered, in thousands)	74.2	85.0	74.3	56.7	48.7	46.0	45.4	44.8	44.3	43.8	43.4
- yearly growth (in %)	-5.5	14.6	-12.6	-23.8	-14.0	-5.6	-1.3	-1.2	-1.2	-1.1	-1.1
Unemployment rate (ILO concept, in %)	4.5	5.0	4.7	4.0	3.7	3.7*	3.7	3.7	3.7	3.7	3.7
Unemployment rate (registered, in %)	7.7	8.7	7.6	5.8	5.0	4.6	4.6	4.5	4.5	4.4	4.3

Source: SURS, ESS, Eurostat, forecasts by IMAD.
Note: *IMAD estimate (data for Q4 2024 was not yet available at the time of the publication). **According to the Statistical Register of Employment, including the estimate of self employed farmers.

Table 9: Indicators of international competitiveness

annual growth rates in %

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
							forecast				
Effective exchange rate[1]											
Nominal	-0.5	0.6	0.0	-1.7	0.8	0.2	-0.6	0.0	0.0	0.0	0.0
Real - based on consumer prices	-0.4	-0.5	-0.5	-0.4	2.4	-0.1	0.1	0.3	0.2	0.2	0.2
Real - based on ULC in economy as a whole	1.0	4.3	0.4	-0.9	3.2	0.9*	0.7	1.3	1.1	0.5	-0.5
Unit labour costs components											
Nominal unit labour costs	4.2	7.5	0.9	5.2	9.0	5.7*	4.1	3.3	3.1	2.7	1.7
Compensation of employees per employee	5.2	3.8	8.0	5.0	9.5	7.2*	6.2	5.4	4.9	4.5	3.6
Labour productivity, real[2]	1.0	-3.4	7.0	-0.2	0.5	1.4	2.0	2.0	1.7	1.8	1.9
Real unit labour costs	1.8	6.2	-1.7	-1.2	-1.0	2.5*	1.3	0.6	0.6	0.2	-0.3
Labour productivity, nominal[3]	3.4	-2.3	9.9	6.3	10.6	4.6	4.8	4.7	4.3	4.3	3.9

Source: SURS, ECB, Consensus Economics, Focus Economics, EC, OECD; calculations, estimate and forecasts for Slovenia by IMAD.
Note: [1] Harmonised effective exchange rate - 37 group of trading partners; 18 non-Euro area and 19 Euro area countries. [2] GDP per employee (in constant prices). [3] GDP per employee (in current prices). * Data for 2024 is IMAD estimate.

Table 10a: Consolidated general government revenues; GFS - IMF Methodology

EUR million, current prices

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2017	2018	2019	2020	2021	2022	2023	2024 previous
I. TOTAL REVENUES	**16,803**	**18,594**	**19,232**	**18,529**	**21,383**	**23,311**	**25,035**	**27,915**
TAX REVENUES	**15,162**	**16,225**	**17,179**	**16,460**	**18,786**	**20,557**	**21,977**	**24,539**
TAXES ON INCOME AND PROFIT	2,967	3,296	3,614	3,262	3,981	4,517	4,601	5,534
Personal income tax	2,197	2,447	2,592	2,487	2,845	2,944	3,192	3,599
Corporate income tax	766	846	997	773	1,115	1,553	1,393	1,907
SOCIAL SECURITY CONTRIBUTIONS	6,092	6,550	7,021	7,290	7,928	8,504	9,258	10,553
TAXSES ON PAYROLL AND WORKFORCE	21	22	23	22	24	27	28	32
TAXES ON PROPERTY	274	278	296	287	317	337	347	370
DOMESTIC TAXES ON GOODS AND SERVICES	5,723	5,989	6,127	5,493	6,359	6,884	7,509	7,823
Value added tax	3,504	3,757	3,872	3,528	4,231	4,747	5,147	5,329
Excise duties	1,585	1,560	1,543	1,314	1,470	1,446	1,659	1,668
TAXES ON INTERN. TRADE AND TRANSACTIONS	83	90	99	102	177	289	223	217
OTHER TAXES	1	0	-1	4	-1	0	11	11
NON - TAX REVENUES	**1,089**	**1,351**	**1,114**	**1,118**	**1,338**	**1,410**	**1,409**	**1,947**
CAPITAL REVENUES	91	153	136	147	228	268	288	221
DONATIONS RECEIVED	**9**	**12**	**14**	**18**	**22**	**57**	**38**	**39**
TRANSFERED REVENUES	**52**	**56**	**58**	**55**	**57**	**58**	**229**	**123**
RECEIPTS FROM THE EU BUDGET	**399**	**797**	**731**	**731**	**951**	**962**	**1,093**	**1,047**

Source: MF.

Table 10b: Consolidated general government revenues; GFS - IMF Methodology

per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT REVENUES	2017	2018	2019	2020	2021	2022	2023	2024 previous
I. TOTAL REVENUES	**39.4**	**40.9**	**39.9**	**39.6**	**41.1**	**41.0**	**39.1**	**41.7**
TAX REVENUES	**35.6**	**35.7**	**35.7**	**35.2**	**36.1**	**36.1**	**34.4**	**36.6**
TAXES ON INCOME AND PROFIT	7.0	7.3	7.5	7.0	7.7	7.9	7.2	8.3
Personal income tax	5.2	5.4	5.4	5.3	5.5	5.2	5.0	5.4
Corporate income tax	1.8	1.9	2.1	1.7	2.1	2.7	2.2	2.8
SOCIAL SECURITY CONTRIBUTIONS	14.3	14.4	14.6	15.6	15.2	14.9	14.5	15.8
TAXSES ON PAYROLL AND WORKFORCE	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXES ON PROPERTY	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6
DOMESTIC TAXES ON GOODS AND SERVICES	13.4	13.2	12.7	11.8	12.2	12.1	11.7	11.7
Value added tax	8.2	8.3	8.0	7.5	8.1	8.3	8.0	8.0
Excise duties	3.7	3.4	3.2	2.8	2.8	2.5	2.6	2.5
TAXES ON INTERN. TRADE AND TRANSACTIONS	0.2	0.2	0.2	0.2	0.3	0.5	0.3	0.3
OTHER TAXES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NON - TAX REVENUES	**2.6**	**3.0**	**2.3**	**2.4**	**2.6**	**2.5**	**2.2**	**2.9**
CAPITAL REVENUES	0.2	0.3	0.3	0.3	0.4	0.5	0.5	0.3
DONATIONS RECEIVED	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**
TRANSFERED REVENUES	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.4**	**0.2**
RECEIPTS FROM THE EU BUDGET	**0.9**	**1.8**	**1.5**	**1.6**	**1.8**	**1.7**	**1.7**	**1.6**

Source: MF, SURS.

Table 11a: Consolidated general government expenditure; GFS - IMF Methodology

EUR million, current prices

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2017	2018	2019	2020	2021	2022	2023	2024 previous
II. TOTAL EXPENDITURES	**17,102**	**18,068**	**18,969**	**22,071**	**24,300**	**24,886**	**27,308**	**28,867**
CURRENT EXPENDITURE	**7,733**	**7,966**	**8,228**	**9,128**	**10,394**	**10,283**	**11,572**	**12,905**
WAGES AND OTHER PERSONNEL EXPENDITURE	3,406	3,583	3,837	4,285	5,020	4,729	5,260	5,629
EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	533	585	634	681	730	752	833	900
PURCHASES OF GOODS AND SERVICES	2,627	2,634	2,728	3,021	3,351	3,557	3,869	4,377
INTEREST PAYMENTS	985	868	791	778	732	661	711	793
RESERVES	183	297	238	364	559	584	899	1,206
CURRENT TRANSFERS	**7,913**	**8,237**	**8,704**	**10,868**	**11,319**	**11,261**	**12,050**	**12,793**
SUBSIDIES	425	444	468	1,449	867	690	1,003	682
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	6,665	6,926	7,324	8,251	9,168	9,294	9,731	10,397
OTHER CURRENT TRANSFERS	822	867	912	1,168	1,284	1,277	1,316	1,714
CAPITAL EXPENDITURE AND TRANSFERS - TOTAL	**1,078**	**1,432**	**1,527**	**1,549**	**1,959**	**2,612**	**3,014**	**2,532**
CAPITAL EXPENDITURE	891	1,160	1,253	1,231	1,545	2,053	2,354	2,141
CAPITAL TRANSFERS	187	272	274	318	414	559	660	391
PAYMENTS TO THE EU BUDGET	**378**	**433**	**510**	**526**	**629**	**730**	**672**	**636**
III. GENERAL GOVERNMENT SURPLUS / DEFICIT (I. - II.)	**-299**	**526**	**263**	**-3,542**	**-2,917**	**-1,575**	**-2,274**	**-951**

Source: MF.

Table 11b: Consolidated general government expenditure; GFS - IMF Methodology

Per cent share relative to GDP

CONSOLIDATED GENERAL GOVERNMENT EXPENDITURE	2017	2018	2019	2020	2021	2022	2023	2024 previous
II. TOTAL EXPENDITURES	**40.1**	**39.7**	**39.4**	**47.2**	**46.7**	**43.7**	**42.7**	**43.1**
CURRENT EXPENDITURE	**18.1**	**17.5**	**17.1**	**19.5**	**20.0**	**18.1**	**18.1**	**19.3**
WAGES AND OTHER PERSONNEL EXPENDITURE	8.0	7.9	8.0	9.2	9.7	8.3	8.2	8.4
EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS	1.2	1.3	1.3	1.5	1.4	1.3	1.3	1.3
PURCHASES OF GOODS AND SERVICES	6.2	5.8	5.7	6.5	6.4	6.2	6.0	6.5
INTEREST PAYMENTS	2.3	1.9	1.6	1.7	1.4	1.2	1.1	1.2
RESERVES	0.4	0.7	0.5	0.8	1.1	1.0	1.4	1.8
CURRENT TRANSFERS	**18.6**	**18.1**	**18.1**	**23.3**	**21.8**	**19.8**	**18.8**	**19.1**
SUBSIDIES	1.0	1.0	1.0	3.1	1.7	1.2	1.6	1.0
TRANSFERS TO INDIVIDUALS AND HOUSEHOLDS	15.6	15.2	15.2	17.7	17.6	16.3	15.2	15.5
OTHER CURRENT TRANSFERS	1.9	1.9	1.9	2.5	2.5	2.2	2.1	2.6
CAPITAL EXPENDITURE AND TRANSFERS - TOTAL	**2.5**	**3.1**	**3.2**	**3.3**	**3.8**	**4.6**	**4.7**	**3.8**
CAPITAL EXPENDITURE	2.1	2.6	2.6	2.6	3.0	3.6	3.7	3.2
CAPITAL TRANSFERS	0.4	0.6	0.6	0.7	0.8	1.0	1.0	0.6
PAYMENTS TO THE EU BUDGET	**0.9**	**1.0**	**1.1**	**1.1**	**1.2**	**1.3**	**1.1**	**0.9**
III. GENERAL GOVERNMENT SURPLUS / DEFICIT (I. - II.)	**-0.7**	**1.2**	**0.5**	**-7.6**	**-5.6**	**-2.8**	**-3.6**	**-1.4**

Source: MF, SURS.

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions

1. Mean Error, ME		Gross domestic product, real growth				Inflation, annual average			
		SFt+1	AFt+1	SFt	AFt	SFt+1	AFt+1	SFt	AFt
IMAD	2002-2017	0.85	0.57	0.02	-0.03	0.07	0.29	-0.21	0.13
	2002-2018	0.72	0.50	0.02	-0.04	0.06	0.26	-0.22	0.13
	2002-2019	0.76	0.54	0.07	-0.01	0.07	0.27	-0.21	0.13
	2002-2020	0.76	0.54	-0.04	-0.07	0.07	0.27	-0.17	0.14
	2002-2021	0.53	0.36	-0.22	-0.17	0.06	0.24	-0.21	0.11
	2002-2022	0.46	0.31	-0.26	-0.18	-0.32	-0.11	-0.32	0.11
	2002-2023	0.50	0.29	-0.24	-0.17	-0.51	-0.17	-0.32	0.11
	2002-2024	0.52	0.33	-0.19	-0.17	-0.39	-0.08	-0.27	0.11
BoS	2002-2017	0.81	0.45	0.04	-0.07	-0.01	0.04	-0.11	0.07
	2002-2018	0.68	0.41	0.05	-0.08	-0.03	0.00	-0.10	0.07
	2002-2019	0.72	0.44	0.09	-0.07	0.00	0.03	-0.10	0.07
	2002-2020	0.72	0.44	0.03	-0.17	0.00	0.03	-0.08	0.07
	2002-2021	0.52	0.15	-0.12	-0.24	-0.04	-0.03	-0.11	0.06
	2002-2022	0.47	0.08	-0.09	-0.24	-0.44	-0.31	-0.12	0.06
	2002-2023	0.48	0.04	-0.06	-0.24	-0.56	-0.31	-0.10	0.06
	2002-2024	0.49	0.06	-0.02	-0.24	-0.45	-0.25	-0.08	0.05
CCIS	2002-2017	0.78	0.29	n.p.	n.p.	0.13	0.29	n.p.	n.p.
	2002-2018	n.p.	n.p.	-0.01	-0.11	n.p.	n.p.	0.06	0.08
	2002-2019	0.78	0.29	0.02	-0.07	0.13	0.29	0.08	0.08
	2002-2020	0.78	0.29	0.06	-0.12	0.13	0.29	0.17	0.10
	2002-2021	0.48	0.14	-0.13	-0.21	0.20	0.35	0.15	0.08
	2002-2022	0.40	0.09	-0.20	-0.18	-0.18	-0.02	-0.03	0.07
	2002-2023	0.46	0.06	-0.20	-0.20	-0.39	-0.10	-0.04	0.09
	2002-2024	0.47	0.09	-0.11	-0.19	-0.32	0.05	0.00	0.09
EC	2002-2017	0.68	0.34	-0.06	-0.14	0.22	0.28	-0.01	0.10
	2002-2018	0.55	0.29	-0.05	-0.14	0.20	0.24	-0.01	0.10
	2002-2019	0.59	0.33	-0.01	-0.12	0.21	0.26	-0.01	0.10
	2002-2020	0.59	0.33	-0.08	-0.20	0.21	0.26	0.03	0.11
	2002-2021	0.48	0.15	-0.24	-0.28	0.15	0.18	-0.03	0.08
	2002-2022	0.45	0.09	-0.30	-0.22	-0.24	-0.19	-0.18	0.07
	2002-2023	0.50	0.05	-0.31	-0.22	-0.41	-0.21	-0.19	0.08
	2002-2024	0.50	0.06	-0.27	-0.22	-0.31	-0.12	-0.14	0.08
IMF	2002-2017	0.81	0.40	-0.10	-0.13	0.12	0.07	-0.18	0.03
	2002-2018	0.61	0.26	-0.12	-0.12	0.13	0.07	-0.17	0.05
	2002-2019	0.62	0.30	-0.06	-0.08	0.15	0.08	-0.17	0.06
	2002-2020	0.62	0.30	-0.19	-0.14	0.15	0.08	-0.14	0.08
	2002-2021	0.45	0.13	-0.40	-0.23	0.11	0.07	-0.18	0.06
	2002-2022	0.39	0.09	-0.45	-0.20	-0.26	-0.28	-0.28	0.06
	2002-2023	0.43	0.09	-0.43	-0.17	-0.36	-0.38	-0.31	0.06
	2002-2024	0.44	0.11	-0.40	-0.17	-0.23	-0.26	-0.26	0.05
WIIW	2002-2017	0.70	0.75	0.14	-0.10	0.14	0.17	0.09	-0.01
	2002-2018	0.56	0.67	0.09	-0.09	0.10	0.16	0.08	-0.02
	2002-2019	0.59	0.70	0.13	-0.06	0.10	0.17	0.08	-0.01
	2002-2020	0.59	0.70	-0.08	-0.12	0.10	0.17	0.12	0.02
	2002-2021	0.35	0.47	-0.31	-0.26	0.04	0.11	0.07	0.00
	2002-2022	0.27	0.39	-0.35	-0.23	-0.34	-0.28	-0.15	0.01
	2002-2023	0.33	0.39	-0.34	-0.23	-0.59	-0.34	-0.18	0.01
	2002-2024	0.36	0.42	-0.29	-0.22	-0.51	-0.26	-0.11	0.03

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions

2. Mean Absolute Error, MAE		Gross domestic product, real growth				Inflation, annual average			
		SFt+1	AFt+1	SFt	AFt	SFt+1	AFt+1	SFt	AFt
IMAD	2002-2017	2.35	2.03	1.19	0.54	0.94	0.96	0.41	0.19
	2002-2018	2.29	1.95	1.16	0.52	0.90	0.91	0.40	0.18
	2002-2019	2.24	1.91	1.15	0.51	0.86	0.89	0.38	0.18
	2002-2020	2.24	1.91	1.20	0.55	0.86	0.89	0.39	0.19
	2002-2021	2.24	1.97	1.32	0.62	0.83	0.86	0.42	0.21
	2002-2022	2.25	1.91	1.31	0.61	1.16	1.15	0.52	0.20
	2002-2023	2.21	1.83	1.26	0.59	1.31	1.17	0.51	0.20
	2002-2024	2.15	1.80	1.24	0.57	1.35	1.20	0.52	0.20
BoS	2002-2017	2.17	2.09	1.26	0.63	1.05	0.95	0.37	0.17
	2002-2018	2.12	1.98	1.19	0.61	1.00	0.93	0.35	0.16
	2002-2019	2.09	1.93	1.17	0.59	0.97	0.91	0.33	0.16
	2002-2020	2.09	1.93	1.16	0.67	0.97	0.91	0.33	0.15
	2002-2021	2.09	2.09	1.25	0.71	0.96	0.92	0.35	0.15
	2002-2022	2.08	2.05	1.20	0.69	1.32	1.15	0.35	0.14
	2002-2023	2.01	1.99	1.16	0.67	1.39	1.11	0.35	0.13
	2002-2024	1.95	1.93	1.15	0.65	1.40	1.11	0.35	0.13
CCIS	2002-2017	2.25	2.06	n.p.	n.p.	0.98	1.08	n.p.	n.p.
	2002-2018	n.p.	n.p.	1.25	0.63	n.p.	n.p.	0.41	0.16
	2002-2019	2.25	2.06	1.21	0.62	0.98	1.08	0.41	0.16
	2002-2020	2.25	2.06	1.18	0.64	0.98	1.08	0.49	0.17
	2002-2021	2.14	2.07	1.29	0.71	0.93	1.03	0.47	0.17
	2002-2022	2.20	2.02	1.31	0.69	1.25	1.33	0.63	0.17
	2002-2023	2.17	1.94	1.25	0.68	1.40	1.34	0.61	0.18
	2002-2024	2.10	1.88	1.27	0.65	1.39	1.42	0.62	0.17
EC	2002-2017	2.20	1.99	1.21	0.46	1.15	1.06	0.32	0.17
	2002-2018	2.15	1.91	1.15	0.45	1.09	1.02	0.31	0.16
	2002-2019	2.10	1.85	1.13	0.43	1.05	1.00	0.30	0.16
	2002-2020	2.10	1.85	1.15	0.49	1.05	1.00	0.32	0.16
	2002-2021	2.10	1.91	1.25	0.56	1.04	1.01	0.37	0.18
	2002-2022	1.98	1.88	1.28	0.56	1.37	1.32	0.50	0.17
	2002-2023	1.96	1.83	1.24	0.55	1.49	1.29	0.49	0.18
	2002-2024	1.90	1.76	1.21	0.53	1.50	1.32	0.50	0.17
IMF	2002-2017	2.16	2.26	1.37	0.89	1.07	1.06	0.43	0.25
	2002-2018	2.18	2.25	1.32	0.84	1.02	1.00	0.41	0.25
	2002-2019	2.10	2.18	1.30	0.82	0.98	0.97	0.40	0.25
	2002-2020	2.10	2.18	1.37	0.84	0.98	0.97	0.40	0.27
	2002-2021	2.10	2.22	1.52	0.89	0.96	0.92	0.44	0.28
	2002-2022	2.08	2.15	1.52	0.85	1.28	1.23	0.52	0.27
	2002-2023	2.04	2.05	1.45	0.83	1.32	1.28	0.54	0.26
	2002-2024	1.97	1.99	1.41	0.80	1.38	1.32	0.55	0.25
WIIW	2002-2017	2.30	2.34	1.59	1.08	1.25	1.09	0.86	0.44
	2002-2018	2.26	2.24	1.53	1.01	1.21	1.04	0.82	0.42
	2002-2019	2.19	2.18	1.49	0.98	1.15	1.00	0.78	0.41
	2002-2020	2.19	2.18	1.62	0.99	1.15	1.00	0.78	0.41
	2002-2021	2.19	2.25	1.77	1.09	1.14	0.99	0.78	0.41
	2002-2022	2.26	2.21	1.75	1.05	1.47	1.32	0.95	0.39
	2002-2023	2.23	2.12	1.68	1.01	1.66	1.34	0.95	0.38
	2002-2024	2.17	2.07	1.64	0.97	1.64	1.35	0.96	0.38

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions

3. Root Mean Square Error, RMSE		Gross domestic product, real growth				Inflation, annual average			
		SFt+1	AFt+1	SFt	AFt	SFt+1	AFt+1	SFt	AFt
IMAD	2002-2017	3.60	3.27	1.50	0.72	1.28	1.24	0.52	0.22
	2002-2018	3.51	3.18	1.46	0.70	1.24	1.21	0.51	0.21
	2002-2019	3.42	3.11	1.44	0.69	1.21	1.18	0.49	0.21
	2002-2020	3.42	3.11	1.48	0.72	1.21	1.18	0.49	0.23
	2002-2021	3.43	3.10	1.64	0.83	1.18	1.15	0.54	0.25
	2002-2022	3.35	3.03	1.62	0.82	2.05	1.89	0.74	0.24
	2002-2023	3.29	2.95	1.59	0.80	2.20	1.87	0.73	0.24
	2002-2024	3.22	2.90	1.56	0.78	2.20	1.87	0.73	0.24
BoS	2002-2017	3.47	3.34	1.82	0.78	1.35	1.22	0.46	0.23
	2002-2018	3.38	3.24	1.77	0.76	1.31	1.19	0.44	0.22
	2002-2019	3.30	3.16	1.73	0.74	1.28	1.16	0.43	0.22
	2002-2020	3.30	3.16	1.70	0.86	1.28	1.16	0.42	0.21
	2002-2021	3.30	3.28	1.78	0.90	1.26	1.17	0.45	0.21
	2002-2022	3.22	3.21	1.74	0.88	2.15	1.67	0.45	0.20
	2002-2023	3.14	3.14	1.70	0.86	2.18	1.64	0.44	0.20
	2002-2024	3.07	3.07	1.67	0.84	2.16	1.61	0.44	0.19
CCIS	2002-2017	3.55	3.30	n.p.	n.p.	1.38	1.32	n.p.	n.p.
	2002-2018	n.p.	n.p.	1.74	0.76	n.p.	n.p.	0.52	0.22
	2002-2019	3.55	3.30	1.69	0.75	1.38	1.32	0.51	0.22
	2002-2020	3.55	3.30	1.65	0.76	1.38	1.32	0.67	0.23
	2002-2021	3.48	3.21	1.78	0.85	1.32	1.26	0.65	0.23
	2002-2022	3.40	3.13	1.78	0.83	2.06	1.97	1.03	0.23
	2002-2023	3.34	3.05	1.74	0.82	2.23	1.95	1.00	0.25
	2002-2024	3.26	2.98	1.73	0.80	2.19	2.02	1.00	0.24
EC	2002-2017	3.46	3.17	1.59	0.64	1.47	1.30	0.45	0.23
	2002-2018	3.38	3.08	1.54	0.62	1.43	1.26	0.44	0.22
	2002-2019	3.29	3.00	1.51	0.60	1.39	1.24	0.43	0.22
	2002-2020	3.29	3.00	1.51	0.69	1.39	1.24	0.45	0.22
	2002-2021	3.22	3.00	1.63	0.77	1.37	1.24	0.53	0.23
	2002-2022	3.14	2.94	1.64	0.77	2.16	2.01	0.87	0.23
	2002-2023	3.08	2.87	1.60	0.76	2.27	1.97	0.85	0.23
	2002-2024	3.02	2.81	1.57	0.74	2.25	1.96	0.85	0.23
IMF	2002-2017	3.40	3.51	1.82	1.18	1.34	1.36	0.63	0.29
	2002-2018	3.35	3.44	1.77	1.15	1.30	1.32	0.61	0.29
	2002-2019	3.26	3.35	1.73	1.12	1.27	1.28	0.59	0.29
	2002-2020	3.26	3.35	1.78	1.13	1.27	1.28	0.59	0.31
	2002-2021	3.23	3.33	1.99	1.17	1.24	1.25	0.63	0.32
	2002-2022	3.16	3.25	1.98	1.14	2.03	1.98	0.76	0.31
	2002-2023	3.10	3.17	1.93	1.12	2.04	2.00	0.78	0.31
	2002-2024	3.03	3.10	1.89	1.09	2.07	2.01	0.77	0.30
WIIW	2002-2017	3.63	3.61	2.39	1.42	1.61	1.59	1.00	0.52
	2002-2018	3.54	3.50	2.32	1.37	1.57	1.54	0.97	0.51
	2002-2019	3.45	3.41	2.27	1.34	1.53	1.50	0.94	0.49
	2002-2020	3.45	3.41	2.39	1.33	1.53	1.50	0.93	0.50
	2002-2021	3.49	3.42	2.54	1.45	1.51	1.47	0.93	0.49
	2002-2022	3.41	3.35	2.49	1.42	2.25	2.24	1.33	0.48
	2002-2023	3.35	3.27	2.44	1.39	2.50	2.22	1.31	0.47
	2002-2024	3.28	3.21	2.39	1.36	2.46	2.19	1.31	0.47

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions

4. Standardised Mean Absolute Error, stdMAE		Gross domestic product, real growth				Inflation, annual average			
		SFt+1	AFt+1	SFt	AFt	SFt+1	AFt+1	SFt	AFt
IMAD	2002-2017	0.68	0.58	0.34	0.16	0.43	0.43	0.19	0.08
	2002-2018	0.67	0.57	0.34	0.15	0.42	0.42	0.19	0.08
	2002-2019	0.67	0.58	0.35	0.15	0.41	0.42	0.18	0.09
	2002-2020	0.67	0.58	0.33	0.15	0.41	0.42	0.18	0.09
	2002-2021	0.64	0.56	0.34	0.16	0.41	0.42	0.20	0.10
	2002-2022	0.65	0.55	0.34	0.16	0.48	0.47	0.21	0.08
	2002-2023	0.65	0.54	0.34	0.16	0.51	0.45	0.19	0.08
	2002-2024	0.65	0.54	0.34	0.16	0.53	0.47	0.20	0.08
BoS	2002-2017	0.62	0.60	0.36	0.18	0.56	0.43	0.17	0.08
	2002-2018	0.62	0.58	0.35	0.18	0.56	0.43	0.16	0.08
	2002-2019	0.63	0.58	0.35	0.18	0.56	0.43	0.16	0.07
	2002-2020	0.63	0.58	0.32	0.18	0.56	0.43	0.15	0.07
	2002-2021	0.60	0.60	0.32	0.18	0.57	0.45	0.17	0.07
	2002-2022	0.60	0.59	0.31	0.18	0.57	0.46	0.14	0.06
	2002-2023	0.59	0.59	0.31	0.18	0.56	0.43	0.13	0.05
	2002-2024	0.59	0.58	0.32	0.18	0.58	0.43	0.13	0.05
CCIS	2002-2017	0.65	0.59	n.p.	n.p.	0.45	0.49	n.p.	n.p.
	2002-2018	n.p.	n.p.	0.36	0.18	n.p.	n.p.	0.19	0.07
	2002-2019	0.67	0.61	0.36	0.19	0.46	0.50	0.19	0.07
	2002-2020	0.67	0.61	0.32	0.17	0.46	0.50	0.22	0.08
	2002-2021	0.60	0.58	0.33	0.18	0.44	0.49	0.22	0.08
	2002-2022	0.62	0.57	0.34	0.18	0.50	0.53	0.25	0.07
	2002-2023	0.63	0.56	0.33	0.18	0.53	0.51	0.23	0.07
	2002-2024	0.62	0.56	0.35	0.18	0.54	0.55	0.24	0.07
EC	2002-2017	0.63	0.57	0.35	0.13	0.52	0.48	0.15	0.08
	2002-2018	0.63	0.56	0.34	0.13	0.51	0.47	0.14	0.07
	2002-2019	0.63	0.56	0.34	0.13	0.50	0.47	0.14	0.08
	2002-2020	0.63	0.56	0.31	0.13	0.50	0.47	0.15	0.08
	2002-2021	0.60	0.55	0.33	0.14	0.51	0.49	0.18	0.08
	2002-2022	0.57	0.54	0.33	0.15	0.55	0.53	0.20	0.07
	2002-2023	0.58	0.54	0.33	0.15	0.57	0.49	0.18	0.07
	2002-2024	0.57	0.53	0.33	0.15	0.59	0.51	0.19	0.07
IMF	2002-2017	0.62	0.65	0.39	0.26	0.48	0.48	0.20	0.11
	2002-2018	0.64	0.66	0.39	0.24	0.48	0.47	0.19	0.12
	2002-2019	0.63	0.66	0.39	0.25	0.47	0.46	0.19	0.12
	2002-2020	0.63	0.66	0.37	0.23	0.47	0.46	0.19	0.13
	2002-2021	0.60	0.63	0.39	0.23	0.47	0.45	0.21	0.14
	2002-2022	0.60	0.62	0.40	0.22	0.52	0.50	0.21	0.11
	2002-2023	0.60	0.61	0.39	0.22	0.51	0.49	0.21	0.10
	2002-2024	0.59	0.60	0.39	0.22	0.54	0.52	0.21	0.10
WIIW	2002-2017	0.66	0.67	0.46	0.31	0.56	0.49	0.39	0.20
	2002-2018	0.66	0.65	0.45	0.30	0.56	0.48	0.38	0.20
	2002-2019	0.66	0.66	0.45	0.30	0.55	0.48	0.37	0.19
	2002-2020	0.66	0.66	0.44	0.27	0.55	0.48	0.36	0.19
	2002-2021	0.63	0.64	0.46	0.28	0.56	0.48	0.37	0.20
	2002-2022	0.65	0.64	0.46	0.27	0.59	0.53	0.38	0.16
	2002-2023	0.66	0.62	0.45	0.27	0.63	0.51	0.36	0.14
	2002-2024	0.65	0.63	0.45	0.27	0.64	0.53	0.37	0.15

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions

5. Standardised Root Mean Square Error, stdRMSE		Gross domestic product, real growth				Inflation, annual average			
		SFt+1	AFt+1	SFt	AFt	SFt+1	AFt+1	SFt	AFt
IMAD	2002-2017	1.04	0.94	0.43	0.21	0.58	0.56	0.23	0.10
	2002-2018	1.02	0.93	0.43	0.20	0.58	0.56	0.24	0.10
	2002-2019	1.03	0.94	0.43	0.21	0.58	0.56	0.23	0.10
	2002-2020	1.03	0.94	0.40	0.20	0.58	0.56	0.23	0.11
	2002-2021	0.98	0.88	0.43	0.22	0.58	0.56	0.26	0.12
	2002-2022	0.97	0.87	0.43	0.21	0.84	0.77	0.30	0.10
	2002-2023	0.97	0.87	0.43	0.21	0.85	0.72	0.28	0.09
	2002-2024	0.97	0.87	0.43	0.21	0.87	0.74	0.28	0.09
BoS	2002-2017	1.00	0.96	0.52	0.22	0.73	0.55	0.21	0.10
	2002-2018	0.99	0.95	0.52	0.22	0.73	0.55	0.21	0.10
	2002-2019	0.99	0.95	0.52	0.22	0.73	0.55	0.21	0.10
	2002-2020	0.99	0.95	0.46	0.24	0.73	0.55	0.20	0.10
	2002-2021	0.94	0.94	0.46	0.23	0.74	0.57	0.22	0.10
	2002-2022	0.93	0.93	0.45	0.23	0.93	0.67	0.18	0.08
	2002-2023	0.93	0.93	0.46	0.23	0.88	0.63	0.17	0.07
	2002-2024	0.93	0.93	0.46	0.23	0.89	0.63	0.17	0.07
CCIS	2002-2017	1.02	0.95	n.p.	n.p.	0.63	0.60	n.p.	n.p.
	2002-2018	n.p.	n.p.	0.50	0.22	n.p.	n.p.	0.24	0.10
	2002-2019	1.05	0.98	0.51	0.22	0.65	0.62	0.24	0.10
	2002-2020	1.05	0.98	0.45	0.21	0.65	0.62	0.31	0.11
	2002-2021	0.98	0.90	0.46	0.22	0.63	0.60	0.31	0.11
	2002-2022	0.96	0.88	0.46	0.22	0.82	0.79	0.41	0.09
	2002-2023	0.97	0.88	0.46	0.22	0.85	0.74	0.38	0.09
	2002-2024	0.97	0.89	0.47	0.22	0.85	0.78	0.38	0.09
EC	2002-2017	1.00	0.91	0.46	0.18	0.66	0.59	0.20	0.10
	2002-2018	0.99	0.90	0.45	0.18	0.66	0.59	0.20	0.10
	2002-2019	0.99	0.90	0.45	0.18	0.66	0.59	0.20	0.10
	2002-2020	0.99	0.90	0.41	0.19	0.66	0.59	0.21	0.10
	2002-2021	0.92	0.86	0.42	0.20	0.67	0.61	0.25	0.11
	2002-2022	0.90	0.85	0.43	0.20	0.86	0.80	0.34	0.09
	2002-2023	0.91	0.85	0.43	0.20	0.87	0.75	0.32	0.09
	2002-2024	0.91	0.85	0.43	0.20	0.88	0.77	0.33	0.09
IMF	2002-2017	0.98	1.01	0.52	0.34	0.61	0.61	0.28	0.13
	2002-2018	0.98	1.01	0.52	0.34	0.61	0.61	0.28	0.14
	2002-2019	0.98	1.01	0.52	0.34	0.60	0.61	0.28	0.14
	2002-2020	0.98	1.01	0.48	0.31	0.60	0.61	0.28	0.15
	2002-2021	0.92	0.95	0.52	0.30	0.61	0.61	0.30	0.16
	2002-2022	0.91	0.94	0.52	0.30	0.83	0.81	0.31	0.13
	2002-2023	0.91	0.94	0.52	0.30	0.79	0.77	0.30	0.12
	2002-2024	0.91	0.94	0.52	0.30	0.82	0.79	0.30	0.12
WIIW	2002-2017	1.04	1.04	0.69	0.41	0.73	0.72	0.45	0.24
	2002-2018	1.03	1.02	0.68	0.40	0.73	0.72	0.45	0.24
	2002-2019	1.04	1.03	0.68	0.40	0.73	0.71	0.45	0.24
	2002-2020	1.04	1.03	0.65	0.36	0.73	0.71	0.44	0.23
	2002-2021	1.00	0.98	0.66	0.38	0.74	0.72	0.44	0.24
	2002-2022	0.98	0.97	0.65	0.37	0.90	0.90	0.53	0.19
	2002-2023	0.99	0.96	0.65	0.37	0.96	0.85	0.50	0.18
	2002-2024	0.99	0.97	0.66	0.37	0.96	0.86	0.51	0.18

Table 12: Comparison of the performance of forecasts for economic growth and inflation of individual institutions

Source: forecasts by IMAD, BoS, CCIS, EC, IMF, WIIW.

Note:
Negative values of mean error (ME) indicate an underestimation, while positive values indicate an overestimation of actual trends.
Average annual inflation forecasts by IMAD, CCIS and IMF refer to CPI inflation, while forecasts by BoS, EC and WIIW refer to HICP inflation.
The 2019 forecasts for 2020 are not taken into account as COVID-19 epidemic could not be predicted at that time.
For 2020, all institutions took into account only the forecasts made after the epidemic was declared in Slovenia on 12 March 2020. IMAD took into account the Summer Forecast of June 2020 instead of the regular Spring Forecast of March 2020.

Abbreviations:
SF_{t+1} – Spring forecast for the year ahead;
AF_{t+1} – Autumn forecast for the year ahead;
SF_t – Spring forecast for the current year;
AF_t – Autumn Forecast for the current year;
ME – Mean Error;
MAE – Mean Absolute Error;
RMSE – Root Mean Square Error;
stdMAE – Standardised Mean Absolute Error;
stdRMSE - Standardised Root Mean Square Error.

Acronyms

AF	autumn forecast
APP	Asset Purchase Programme
BIS	Bank for International Settlements
BoS	Bank of Slovenia
CCIS	Chamber of Commerce and Industry of Slovenia
CHP	combined heat and power
CIT	corporate income tax
CPI	consumer price index
DAK	Register of employment
EC	European Commission
ECB	European Central Bank
e.g.	for example
EIA	U.S. Energy Information Administration
EII	energy-intensive industries
ESI	economic sentiment indicator
ESS	Employment Service of Slovenia
etc.	et cetera
EU	European Union
EUR	euro
EUROSTAT	The Statistical Office of the European Union
GDP	gross domestic product
GFS	government finance statistics
HICP	Harmonised Index of Consumer Prices
ICE	Intercontinental Exchange
ICT	information and communication technology
IMAD	Institute of Macroeconomic Analysis and Development
IFW	Institute for the World Economy
IMF	International Monetary Fund
KITE	Kiel Institute Trade Policy Evaluation
LFS	Labour Force Survey
MAE	Mean Absolute Error
ME	Mean Error
MF	Ministry of Finance
MOPE	Ministry of the Environment, Spatial Planning and Energy
NEER	Nominal effective exchange rate
NEIG	non-energy industrial goods
NGO	non-governmental organisations
NPISH	non-profit institutions serving households
NULC	nominal unit labour costs
OECD	Organisation for Economic Cooperation and Development
PEEP	Pandemic emergency purchase programme
PMI	Purchasing Managers' Index
p.p.	percentage point

PPS	purchasing power standard
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
REER HICP	real effective exchange rate based on harmonised Index of consumer prices
REER PPI	real effective exchange rate based on producer price index
REER ULC	real effective exchange rate based on unit labour cost
RES	renewable energy resources
RMSE	root mean square error
RRP	Recovery and Resilience Plan
RULC	real unit labour costs
SF	spring forecast
S&P	Standard and Poor's
SNA	System of National Accounts
SSH	Slovenian Sovereign Holding
SURS	Statistical Office of the Republic of Slovenia
TiVA	Trade in value-added
USD	US Dollar
VAR	vector autoregression
WIIW	Wiener Institut für Internationale Wirtschaftsvergleiche
US	United States of America
ZZZS	Health Insurance Institute of Slovenia

Abbreviations of the Standard Classification of Activities (SKD 2008)

A – agriculture, forestry and fishing, **B** – mining and quarrying, **C** – manufacturing, **10** – manufacture of food products, **11** – manufacture of beverages, **12** – manufacture of tobacco products, **13** – manufacture of textiles, **14** – manufacture of wearing apparel, **15** – manufacture of leather and related products, **16** – manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials, **17** – manufacture of paper and paper products, **18** – printing and reproduction of recorded media, **19** − manufacture of coke and refined petroleum products, **20** – manufacture of chemicals and chemical products, **21** − manufacture of basic pharmaceutical products and pharmaceutical preparations, **22** – manufacture of rubber and plastic products, **23** – manufacture of other non-metallic mineral products, **24** – manufacture of basic metals, **25** – manufacture of fabricated metal products, except machinery and equipment, **26** – manufacture of computer, electronic and optical products, **27** – manufacture of electrical equipment, **28** – manufacture of machinery and equipment n.e.c., **29** – manufacture of motor vehicles, trailers and semi-trailers, **30** − manufacture of other transport equipment, **31** – manufacture of furniture, **32** – other manufacturing, **33** – Repair and installation of machinery and equipment, **D** – electricity, gas, steam and air conditioning supply, **E** – water supply, sewerage, waste management and remediation activities, **F** – construction, **G** – wholesale and retail trade, repair of motor vehicles and motorcycles, **H** – transportation and storage, **I** – accommodation and food service activities, **J** – information and communication, **K** – financial and insurance activities, **L** – real estate activities, **M** – professional, scientific and technical activities, **N** – administrative and support service activities, **O** – public administration and defence, compulsory social security, **P** – education, **Q** – human health and social work activities, **R** – arts, entertainment and recreation, **S** – other service activities, **T** – activities of households as employers; undifferentiated goods- and services-producing activities of households for own use, **U** – activities of extraterritorial organisations and bodies.

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