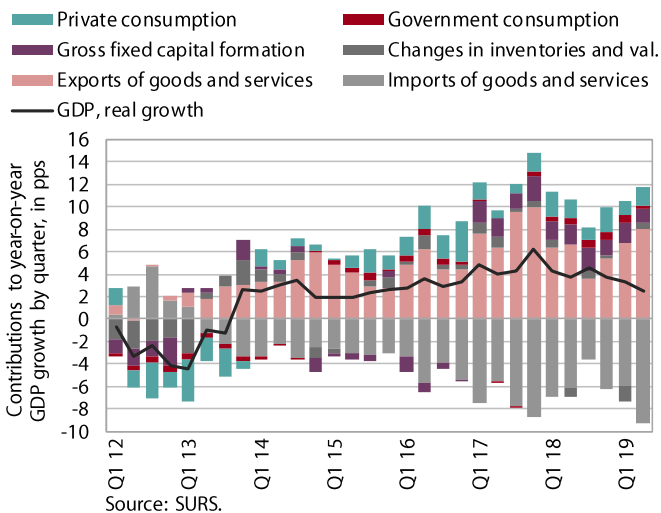


CURRENT ECONOMIC TRENDS

26–30 August 2019

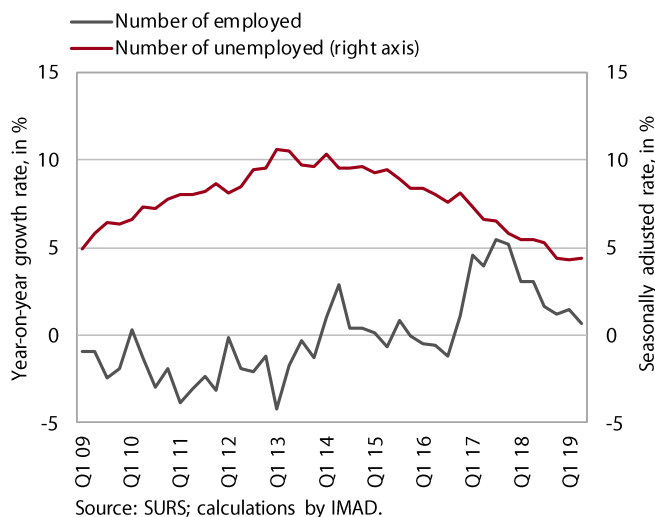
GDP growth slowed in the second quarter with the moderation of international trade, while growth in domestic consumption remained somewhat higher than in previous quarters. Employment growth also eased off, while unemployment was the lowest in twenty years. Expectations of businesses in manufacturing are deteriorating, especially with regard to export demand. The prospects for market service activities and retail trade remain favourable, partly owing to growth in private consumption. With rising household consumption, household borrowing remains high. Year-on-year growth in consumer prices also rose further in August.

GDP, Q2 2019



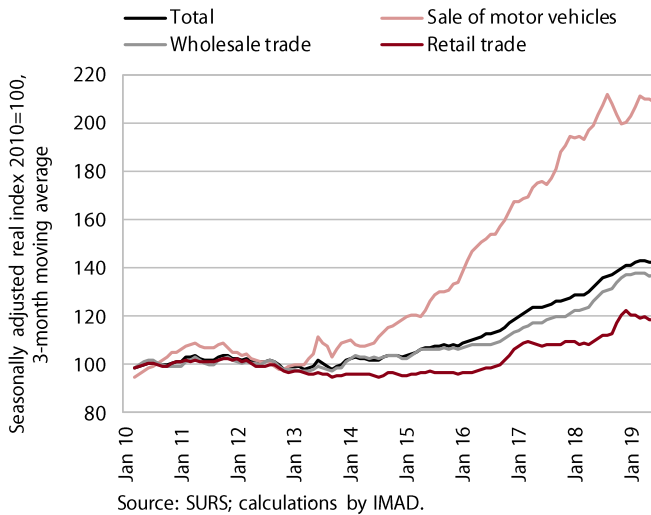
Real GDP in the second quarter was 2.5% higher year on year. The main contribution to growth – which slowed relative to previous quarters – came from domestic consumption. Household consumption picked up somewhat. A further increase was also recorded for investment, particularly construction investment. The growth of total exports increased further amid strong support of accelerated growth in exports of pharmaceutical and medicinal products. Imports of these products strengthened as well, which, together with higher growth in domestic consumption, contributed to faster growth in total imports. The contribution of net exports to GDP growth thus turned negative.

Labour market, active and non-active population, Q2 2019



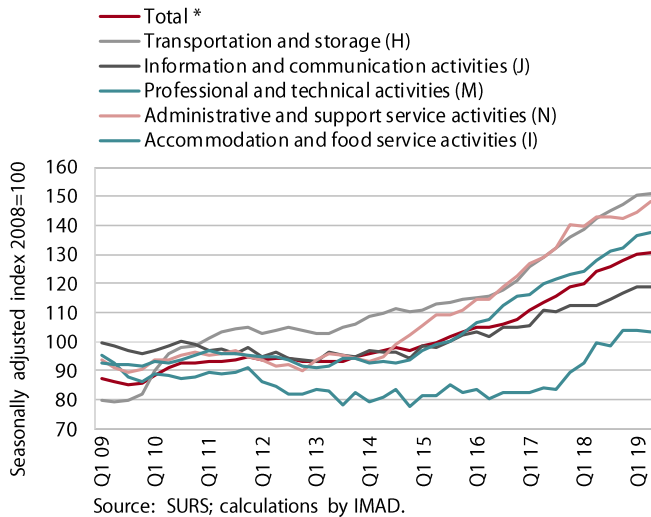
Growth in employment slowed, while unemployment was the lowest on record. In the second quarter the number of persons in formal employment increased further. With the moderation of economic growth, its growth slowed, while in other employment forms the number of employed persons fell. The survey-based unemployment remains low, in terms of both number and rate, but the share of the long-term unemployed is still high.

Trade, June 2019



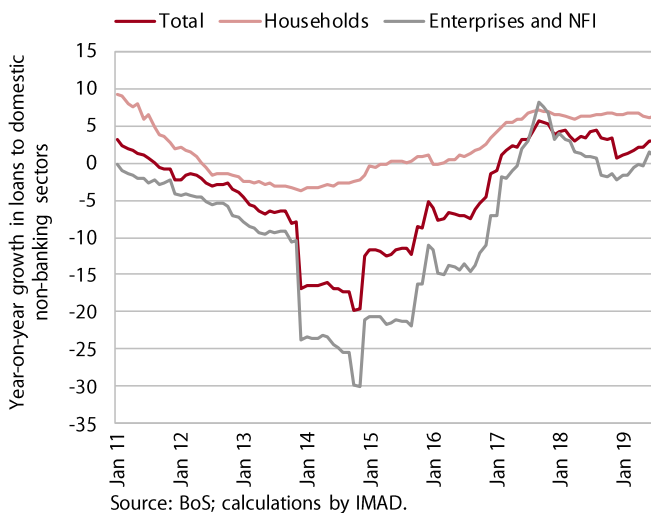
After increasing early in the year, turnover in trade remained roughly unchanged in the second quarter. In retail trade, otherwise marked by significant fluctuations in the sale of automotive fuels, the sales of non-food and food products have been rising moderately amid further growth in household consumption. Turnover in wholesale trade remained at the level seen at the end of last year, partly as a consequence of more moderate activity growth in some trade-related sectors (transportation, construction and manufacturing). Meanwhile, turnover in the sale of motor vehicles has been slowing in recent months, after strong growth rates in the previous four years.

Market services, June 2019



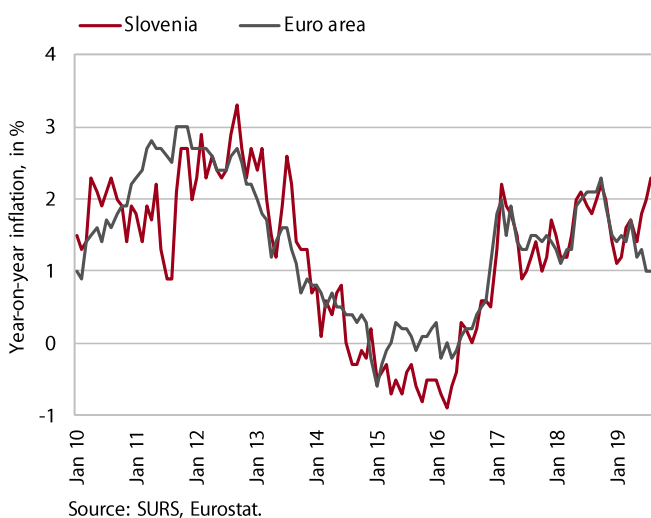
Turnover growth in market services eased off in the second quarter. After a period of considerable growth, a moderation of growth was recorded in accommodation and food service activities (owing to a smaller number of tourist overnight stays because of bad weather in May) and transportation, where exports of road transport services are on the rise. Turnover in information and communication activities remained unchanged; amid a significant strengthening in computer services, its growth is hampered by a decline in telecommunications services. Turnover was also down in professional and technical activities, chiefly owing to May's significant decline in architectural and engineering services. Turnover growth in administrative and support service activities remains high, this year under the impact of growth in services that businesses tend to outsource to external providers.

Financial markets, July 2019



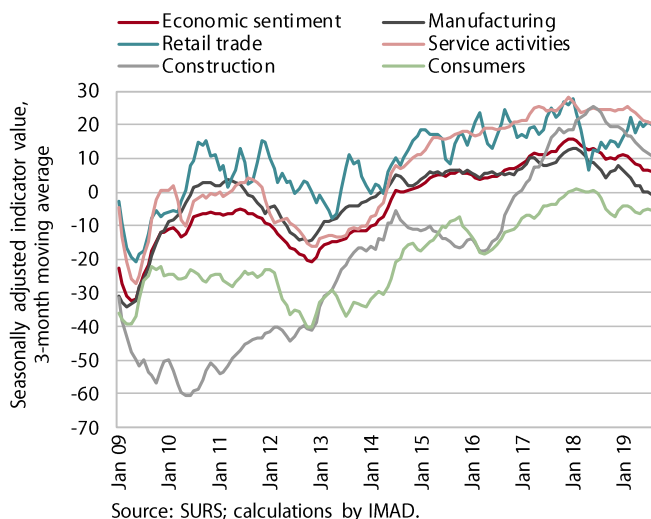
The gradual growth of the banking system's total assets continues. The somewhat higher year-on-year loan growth during the summer months is, according to our estimate, largely due to lower corporate and NFI deleveraging, as the volume of new loans remains modest. Amid rising consumption, household borrowing remains relatively high. Among sources of liabilities, overnight deposits continue to rise at the fastest pace, given the near-zero interest rates, and represent almost half of the banking system's liabilities. Following the intense deleveraging since the onset of the international financial crisis, liabilities to foreign banks have also increased somewhat in recent months, but their share is still low (below 5%).

Prices, August 2019



Year-on-year consumer price growth rose somewhat again in August. The increase was to a great extent a consequence of significantly higher clothing prices, which rose more and earlier month on month than in previous years. With rising household consumption and unit labour costs, prices of other non-energy industrial goods have also recorded stronger growth in recent months. Prices of durable goods were thus somewhat higher year on year in August (0.2%) after more than ten years of uninterrupted decline. Price growth in services continues to hover at around 3%. The contribution of food prices to total inflation remains around 0.5 pps.

Economic sentiment indicator, August 2019



Economic sentiment has deteriorated since the beginning of the year; the prospects for service activities and retail trade are still favourable. Confidence in manufacturing and construction has been dropping from the peak reached in the beginning and middle of 2018. While being still relatively high in construction, it fell below the long-term average in manufacturing, mainly due to deteriorated expectations in the export-part of the economy. Confidence in service activities has also dropped somewhat in the recent period, but remains relatively high. Confidence in retail trade is also still high, with monthly fluctuations. Consumer confidence remains more or less unchanged, after worsening in the second half of last year.

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
GDP, real	30.08.2019	29.11.2019	% (Q/Q-1) ³	0.1	1.1	1.2	0.6	0.6	0.2
	30.08.2019	29.11.2019	% (Q/Q-4)	4.3	3.7	4.6	3.8	3.3	2.5
Private consumption, real	30.08.2019	29.11.2019	% (Q/Q-1) ³	1.1	0.1	0.4	2.1	-0.1	1.0
	30.08.2019	29.11.2019	% (Q/Q-4)	4.0	3.3	2.2	4.1	2.3	3.4
Government consumption, real	30.08.2019	29.11.2019	% (Q/Q-1) ³	1.0	1.3	0.4	1.2	0.8	-1.2
	30.08.2019	29.11.2019	% (Q/Q-4)	2.4	3.1	3.2	4.0	3.9	1.0
Gross investment, real	30.08.2019	29.11.2019	% (Q/Q-1) ³	3.4	-2.5	6.1	1.2	-1.7	3.5
	30.08.2019	29.11.2019	% (Q/Q-4)	11.7	4.2	14.5	8.6	2.5	9.2
Exports of goods and services, real	30.08.2019	29.11.2019	% (Q/Q-1) ³	-0.3	2.1	0.1	4.2	1.8	2.5
	30.08.2019	29.11.2019	% (Q/Q-4)	7.7	8.2	4.2	6.5	7.9	9.4
Imports of goods and services, real	30.08.2019	29.11.2019	% (Q/Q-1) ³	0.9	1.2	0.3	4.9	1.9	3.9
	30.08.2019	29.11.2019	% (Q/Q-4)	9.4	8.4	4.8	8.2	7.7	12.3
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
Trade balance ¹	13.08.2019	13.09.2019	EUR m	114.6	-231.1	218.6	229.8	:	:
Current account ¹	13.08.2019	13.09.2019	EUR m	231.1	-1.6	392.6	271.6	:	:
Exports of goods, real ²	09.08.2019	09.09.2019	% (M/M-1) ⁴	-2.8	0.5	4.9	-1.1	:	:
	09.08.2019	09.09.2019	% (M/M-12)	2.8	13.3	11.4	4.3	:	:
Imports of goods, real ²	09.08.2019	09.09.2019	% (M/M-1) ⁴	0.5	12.2	-11.4	3.7	:	:
	09.08.2019	09.09.2019	% (M/M-12)	5.8	30.1	5.1	4.5	:	:
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
Inflation (CPI)	30.08.2019	30.09.2019	% (M/M-1)	0.7	0.8	0.9	0.3	-0.7	0.4
	30.08.2019	30.09.2019	% (M/M-12)	1.6	1.7	1.4	1.8	2.0	2.3
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
Gross earnings per employee – nominal	16.08.2019	16.09.2019	% (M/M-1)	2.2	-1.2	-0.1	-0.6	:	:
	16.08.2019	16.09.2019	% (M/M-12)	4.9	4.0	3.9	3.9	:	:
- private sector	16.08.2019	16.09.2019	% (M/M-1)	1.9	-1.3	-0.7	-1.2	:	:
	16.08.2019	16.09.2019	% (M/M-12)	4.3	4.0	3.3	3.2	:	:
- public sector	16.08.2019	16.09.2019	% (M/M-1)	2.8	-1.2	0.9	0.4	:	:
	16.08.2019	16.09.2019	% (M/M-12)	6.3	4.3	5.3	5.3	:	:
- of which government sector	16.08.2019	16.09.2019	% (M/M-1)	0.4	0.4	0.5	0.7	:	:
	16.08.2019	16.09.2019	% (M/M-12)	6.6	5.8	5.9	6.7	:	:
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
Employed persons	19.08.2019	19.09.2019	% (M/M-1) ⁴	0.2	0.2	0.2	0.1	:	:
	19.08.2019	19.09.2019	% (M/M-12)	3.1	3.1	3.0	2.9	:	:
Registered unemployed persons	05.08.2019	05.09.2019	% (M/M-1) ⁴	-0.7	-0.6	-0.6	-0.3	-0.1	:
	05.08.2019	05.09.2019	% (M/M-12)	-5.8	-5.8	-6.1	-5.7	-5.5	:
Registered unemployment rate	19.08.2019	19.09.2019	%	7.9	7.6	7.4	7.3	:	:
				2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2
Employment, LFS	30.08.2019	29.11.2019	% (Q/Q-1) ⁵	0.5	0.3	0.0	0.5	0.6	-0.3
	30.08.2019	29.11.2019	% (Q/Q-4)	3.1	3.0	1.7	1.2	1.5	0.7
ILO unemployment rate, LFS	30.08.2019	29.11.2019	%	5.9	5.2	5.0	4.4	4.8	4.2
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
Industrial producer prices, domestic market	21.08.2019	20.09.2019	% (M/M-1)	0.3	0.4	0.2	0.0	0.1	:
	21.08.2019	20.09.2019	% (M/M-12)	1.6	2.0	2.2	2.0	1.8	:
Production volume in manufacturing, real	09.08.2019	10.09.2019	% (M/M-1) ³	-0.3	1.7	-1.1	-2.0	:	:
	09.08.2019	10.09.2019	% (M/M-12)	1.0	12.3	3.6	-2.3	:	:
Construction, real value of construction output	13.09.2019	13.09.2019	% (M/M-1) ³	-5.9	-4.9	4.1	-6.7	:	:
	13.09.2019	13.09.2019	% (M/M-12)	29.0	9.7	11.2	5.4	:	:
Turnover in trade, real	30.08.2019	30.09.2019	% (M/M-1) ³	-0.8	-0.2	0.1	0.2	:	:
	30.08.2019	30.09.2019	% (M/M-12)	6.4	12.0	4.5	0.8	:	:
Nominal turnover in market services	27.08.2019	27.08.2019	% (M/M-1) ³	-0.9	0.8	-0.6	:	:	:
	27.08.2019	27.08.2019	% (M/M-12)	5.8	10.5	5.1	:	:	:
				2013	2014	2015	2016	2017	2018
General government deficit/surplus (ESA 2010)	29.03.2018	30.09.2018	% BDP	-14.7	-5.5	-2.8	-1.9	0.0	0.7
Consolidated gross general government debt (ESA)	29.03.2018	30.09.2018	% BDP	70.4	80.4	82.6	78.7	74.1	70.1
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
Economic sentiment indicator ² , seasonally adjusted	26.08.2019	24.09.2019	% ³	8.8	6.7	7.7	5.4	6.8	6.0
				2019 m 3	2019 m 4	2019 m 5	2019 m 6	2019 m 7	2019 m 8
EURIBOR, 3-month	Beginning of the month *	%	-0.309	-0.311	-0.312	-0.329	-0.365	-0.408	
Long-term government bond yields	Beginning of the month	%	0.81	0.67	0.58	0.32	0.17	-0.14	
Exchange rate, USD to EUR	Beginning of the month	US\$	1.1302	1.1238	1.1185	1.1293	1.1218	1.1126	

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

Notes: ¹ Balance of payments statistics of the BoS. ² External trade statistics SURS. ³ Seasonally adjusted – SURS. ⁴ Seasonally adjusted – IMAD. ⁵ Difference between positive and negative answers, in %.

* calculations by IMAD.

For comparisons with the EU and EMU see: <http://ec.europa.eu/eurostat/web/euro-indicators/peis>