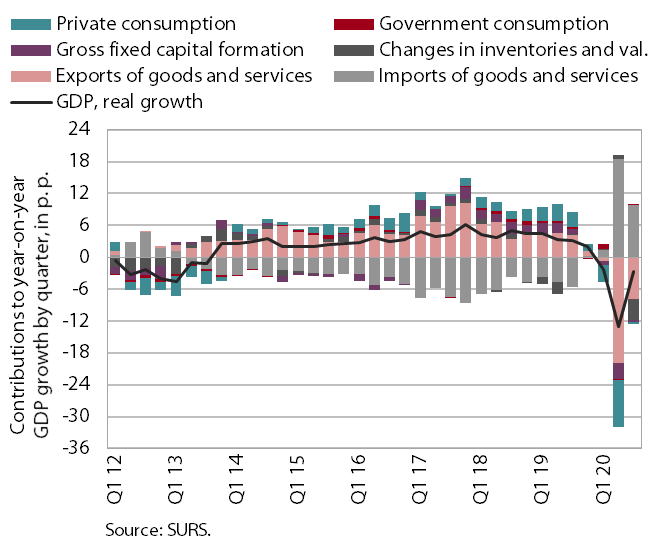


CURRENT ECONOMIC TRENDS

23–30 November 2020

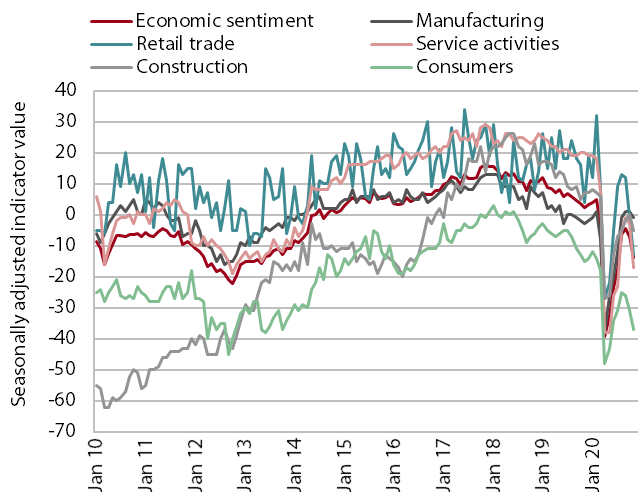
After a sharp decline in the second quarter, real GDP increased notably in the third (12.4%) with the relaxation of containment measures and its y-o-y decline was significantly smaller (–2.6%, compared with –13% in the second quarter). The increase was mainly due to the recovery of activity in the export part of the economy, but also some service activities. For the last quarter of the year, economic indicators suggest a renewed, albeit smaller, decline in economic activity amid the second wave of the epidemic. Economic sentiment fell in October. In November the fall deepened further but remained above the levels of the spring months. The y-o-y falls in electricity consumption and freight traffic on Slovenian motorways also remained significantly lower than in the spring. Unemployment stayed similar to that in the previous two months.

Gross domestic product, Q3 2020



In the third quarter, real GDP recovered more than expected while its y-o-y fall decreased (–2.6%; in Q2: –13.0%). The smaller y-o-y decline in activity was mainly attributable to a fast recovery in the export part of the economy and some service activities due to the relaxation of containment measures amid a temporary improvement in the epidemiological situation in the summer months. Y-o-y declines in exports and imports decreased with a rebound of activity in main trading partners. Stronger activity was also recorded in service activities related to domestic consumption and tourism, but they were recovering more slowly due to the retention of some containment measures and a strong fall in foreign tourist arrivals. The loosening of containment measures also had a favourable impact on the q-o-q growth of household consumption, but it remained slightly lower y-o-y, also due to a high level of precautionary saving. Investment in machinery and equipment recovered strongly at the quarterly level, while construction investment was even higher than one year earlier. The total level of gross investment remained highly negative y-o-y mainly due to a marked fall in inventories. Among consumption aggregates, only final government consumption was up y-o-y.

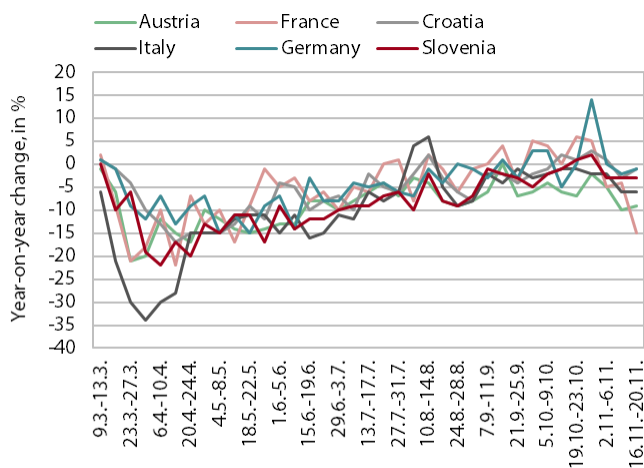
Economic sentiment, November 2020



Source: SURS; calculations by IMAD.

Economic sentiment deteriorated notably in November but remained above the spring months' levels. Due to a renewed spread of the epidemic and the adoption of containment measures, the economic sentiment indicator fell in October after several months of improvement. In November the fall deepened with a decline in confidence in all sectors and among consumers. It fell most notably in services, particularly due to significantly lower expectations about demand, and the least in manufacturing. In manufacturing, business confidence was higher y-o-y, despite lower expectations about production than in October. Expectations about exports also remained higher y-o-y.

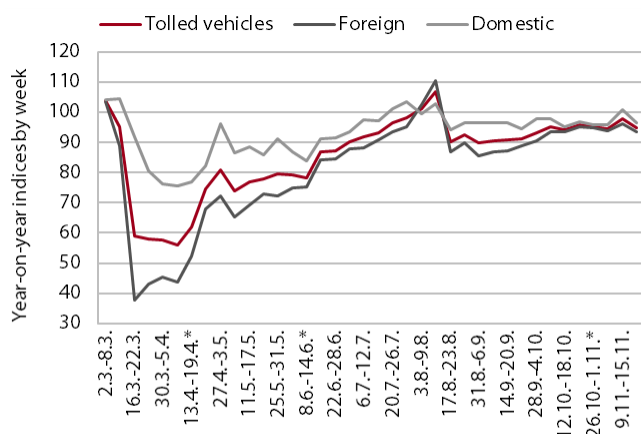
Electricity consumption, November 2020



Source: ENTSO-E and Bruegel.org. Notes: Only consumption on working days (between 8.00 and 18.00) is considered. The percentages are adjusted for temperature differences.

The y-o-y fall in weekly electricity consumption in the third week of November remained significantly smaller than in the spring, despite the tightening of containment measures. In the third week of November, electricity consumption was, as in the previous two weeks, 3% lower y-o-y (in the middle of April, around 20% lower). In the majority of main trading partners, the y-o-y decline in the third week of November remained roughly unchanged relative to the previous week. The decline in Austria was -9% and in Italy -6%. In Germany and Croatia, it was smaller (around -1%). A pronounced change was seen only in France (-15%; one week earlier: -4%).

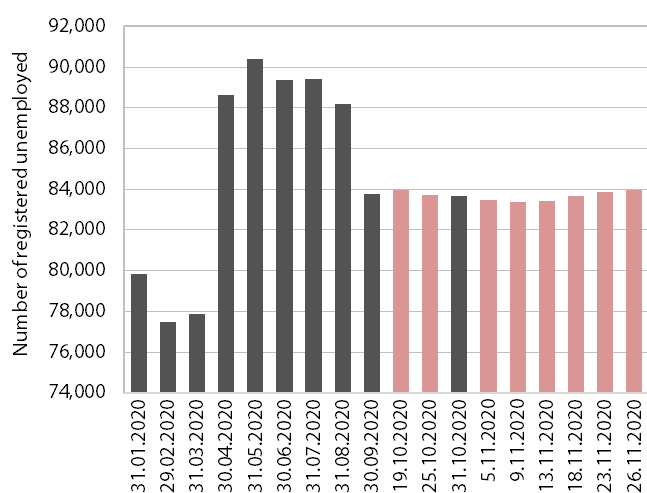
Traffic of electronically tolled vehicles on Slovenian motorways, November 2020



Source: Internal reports obtained from DARS. Note: *Owing to a different number of working days, we adjusted the dataset by excluding some days from the calculation, but the comparison nevertheless remains somewhat uncertain.

Freight traffic on Slovenian motorways¹ in the second half of November was somewhat lower than before the first wave of the epidemic. After already reaching pre-epidemic levels in mid-August, it fell slightly and then approached last year's level again in October. In the week between 16 and 22 November, it lagged behind last year's level by 5%, by 6% in foreign and by 3% in domestic vehicles. So far, freight traffic has not been significantly affected by restrictions in the second wave of the epidemic related to trade and accommodation and food service activities, as these activities are more dependent on local than motorway transport supply and as business operations have not been completely halted (online sales and food delivery are still possible).

Registered unemployment, November 2020



Source: ESS.

At the end of November, registered unemployment remained at almost the same level as in the previous two months, despite the renewed restrictions on business operations since mid-October. Following the strong growth in the first wave of the epidemic, the number of registered unemployed persons has been gradually falling since mid-year after the adoption of intervention job retention measures and the lifting of restrictions. Since mid-October, when the second wave of the epidemic was declared, the number has maintained a similar level, which, amid a partial adaptation of businesses and consumers to different ways of operation, is to a great extent due to the extension of intervention measures. According to ESS unofficial (daily) data, 83,966 persons were unemployed on 26 November, which is 0.4% more than at the end of October and around 16% more than in the same period last year.

¹ Measured in kilometres driven.

Active and inactive population, Q3 2020

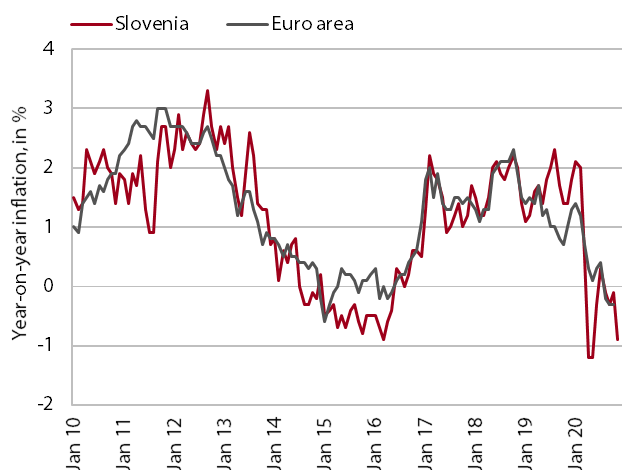


Source: SURS; calculations by IMAD.

According to the survey data, labour market conditions did not deteriorate in the third quarter compared with the second.

The number of employed persons was higher y-o-y, particularly of those in paid employment (1.8%). The volume of student work, however, remained significantly lower y-o-y (-21.2%), indicating that young people were the most affected in this crisis. The number of unemployed persons remained almost unchanged at the quarterly level and 8.2% higher year on year. The ILO unemployment rate remained similar to that in the second quarter. Year on year, it was somewhat higher (5.1%).

Consumer prices, November 2020



Source: SURS, Eurostat.

The y-o-y fall in consumer prices deepened significantly in November (-0.9%).²

It was still largely due to around a fifth lower prices of oil products. After October's slowdown, the fall in semi-durable goods prices strengthened significantly again (with a y-o-y decline of around 5%, the most in ten years). Clothing and food prices also fell, which we estimate is a consequence of a different way of data collection and lower demand due to the tightening of measures to contain the epidemic. Reflecting a good harvest, y-o-y growth in food prices slowed significantly relative to previous months. Growth in prices of services remained moderate (at around 1%).

² Due to the additional containment measures, SURS collected retail prices of non-food goods and services to a greater extent by phone and through the websites of providers. Prices that could not be collected are estimated on the basis of past price changes (or price changes within the aggregate or of higher aggregates) and represent 10.3% of the consumer price index.

Table: Selected macroeconomic indicators for Slovenia

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
GDP, real	30.11.2020	26.02.2021	% (Q/Q-1) ³	0.0	0.9	0.4	-4.7	-9.8	12.4
	30.11.2020	26.02.2021	% (Q/Q-4)	3.3	3.1	2.0	-2.4	-13.0	-2.6
Private consumption, real	30.11.2020	26.02.2021	% (Q/Q-1) ³	1.2	0.3	-0.2	-7.9	-10.6	20.0
	30.11.2020	26.02.2021	% (Q/Q-4)	6.6	5.8	2.2	-6.3	-17.4	-0.9
Government consumption, real	30.11.2020	26.02.2021	% (Q/Q-1) ³	0.4	0.3	-1.0	4.4	-4.5	2.7
	30.11.2020	26.02.2021	% (Q/Q-4)	2.4	2.5	-0.3	4.1	-1.1	1.4
Gross investment, real	30.11.2020	26.02.2021	% (Q/Q-1) ³	-1.7	7.2	-6.1	-2.3	-8.2	-4.1
	30.11.2020	26.02.2021	% (Q/Q-4)	-2.4	5.8	-1.3	-2.2	-10.5	-19.6
Exports of goods and services, real	30.11.2020	26.02.2021	% (Q/Q-1) ³	0.9	-0.5	-0.4	-1.9	-21.3	16.8
	30.11.2020	26.02.2021	% (Q/Q-4)	5.4	4.9	1.1	-1.0	-23.4	-9.5
Imports of goods and services, real	30.11.2020	26.02.2021	% (Q/Q-1) ³	0.7	-0.1	-2.3	-0.7	-21.6	13.0
	30.11.2020	26.02.2021	% (Q/Q-4)	6.0	7.6	-0.3	-1.9	-24.2	-13.1
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
Trade balance¹	13.11.2020	14.12.2020	EUR m	285.6	371.2	108.1	317.9	:	:
Current account¹	13.11.2020	14.12.2020	EUR m	326.1	415.3	144.5	416.6	:	:
Exports of goods, real²	09.11.2020	09.12.2020	% (M/M-1) ⁴	8.4	5.6	0.4	2.1	:	:
	09.11.2020	09.12.2020	% (M/M-12)	0.1	-2.0	-3.6	0.7	:	:
Imports of goods, real²	09.11.2020	09.12.2020	% (M/M-1) ⁴	14.1	2.8	4.7	-9.2	:	:
	09.11.2020	09.12.2020	% (M/M-12)	1.1	-7.2	3.9	-8.8	:	:
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
Inflation (CPI)	30.11.2020	30.12.2020	% (M/M-1)	1.3	-0.1	-0.1	-0.4	0.3	-0.8
	30.11.2020	30.12.2020	% (M/M-12)	-0.3	0.3	-0.1	-0.3	-0.1	-0.9
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
Gross earnings per employee – nominal	16.11.2020	15.12.2020	% (M/M-1)	-4.2	-0.1	0.1	-0.7	:	:
	16.11.2020	15.12.2020	% (M/M-12)	5.5	4.3	5.0	5.1	:	:
- private sector	16.11.2020	15.12.2020	% (M/M-1)	-3.3	1.4	1.1	-1.3	:	:
	16.11.2020	15.12.2020	% (M/M-12)	4.2	3.7	5.1	5.2	:	:
- public sector	16.11.2020	15.12.2020	% (M/M-1)	-4.6	-2.3	-1.7	0.3	:	:
	16.11.2020	15.12.2020	% (M/M-12)	7.1	4.8	4.4	4.5	:	:
- of which government sector	16.11.2020	15.12.2020	% (M/M-1) ⁴	-5.1	-2.5	-2.6	0.9	:	:
	16.11.2020	15.12.2020	% (M/M-12)	9.3	7.2	5.9	5.3	:	:
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
Employed persons	17.11.2020	16.12.2020	% (M/M-1) ⁴	0.0	0.0	0.0	0.1	:	:
	17.11.2020	16.12.2020	% (M/M-12)	-1.6	-1.6	-1.6	-1.4	:	:
Registered unemployed persons	04.11.2020	03.12.2020	% (M/M-1) ⁴	-0.1	-1.1	-1.0	-1.9	-2.4	:
	04.11.2020	03.12.2020	% (M/M-12)	26.3	24.4	23.2	20.0	15.5	:
Registered unemployment rate	17.11.2020	16.12.2020	%	9.3	9.2	9.1	9.0	:	:
				2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
Employment, LFS	27.11.2020	26.02.2021	% (Q/Q-1) ⁵	0.3	-1.3	0.5	0.9	-2.2	0.7
	27.11.2020	26.02.2021	% (Q/Q-4)	0.7	-0.8	-0.4	0.4	-2.3	-0.3
ILO unemployment rate, LFS	27.11.2020	26.02.2021	%	4.2	4.8	4.0	4.6	5.2	5.1
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
Industrial producer prices, domestic market	20.11.2020	21.12.2020	% (M/M-1)	0.9	-0.3	0.2	0.1	0.3	:
	20.11.2020	21.12.2020	% (M/M-12)	0.7	0.3	0.2	0.3	0.9	:
Production volume in manufacturing, real	10.11.2020	10.12.2020	% (M/M-1) ³	5.3	8.3	2.4	-0.6	:	:
	10.11.2020	10.12.2020	% (M/M-12)	-4.7	-5.5	-1.4	-0.4	:	:
Construction, real value of construction output	13.11.2020	15.12.2020	% (M/M-1) ³	-7.3	12.3	2.2	2.6	:	:
	13.11.2020	15.12.2020	% (M/M-12)	-15.8	-2.1	4.3	7.9	:	:
Turnover in trade, real	27.11.2020	24.12.2020	% (M/M-1) ³	4.8	5.2	-3.8	-0.2	:	:
	27.11.2020	24.12.2020	% (M/M-12)	0.0	-1.6	-5.3	-2.2	:	:
Nominal turnover in market services	26.11.2020	24.12.2020	% (M/M-1) ³	9.9	6.7	-1.6	5.1	:	:
	26.11.2020	24.12.2020	% (M/M-12)	-11.8	-7.7	-10.7	-4.1	:	:
				2014	2015	2016	2017	2018	2019
General government deficit/surplus (ESA 2010)	19.10.2020	31.03.2021	% BDP	-5.5	-2.8	-1.9	-0.1	0.7	0.5
Consolidated gross general government debt (ESA)	19.10.2020	31.03.2021	% BDP	80.3	82.6	78.5	74.1	70.3	65.6
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
Economic sentiment indicator⁵, seasonally adjusted	24.11.2020	24.12.2020	% ³	-23.5	-17.6	-6.4	-4.4	-7.0	-13.8
				2020 m 6	2020 m 7	2020 m 8	2020 m 9	2020 m 10	2020 m 11
EURIBOR, 3-month	Beginning of the month *		%	-0.3760	-0.4441	-0.4797	-0.4910	-0.5091	:
Long-term government bond yields	Beginning of the month		%	0.4300	0.1700	0.0500	0.0500	-0.0760	:
Exchange rate, USD to EUR	Beginning of the month		US\$	1.1255	1.1463	1.1828	1.1792	1.1775	:

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

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

* calculations by IMAD.

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

The table format accessible to screen reader users can be found on the IMAD website among the appendices to the current graphs of the week (Selected macroeconomic indicators for euro area)

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