

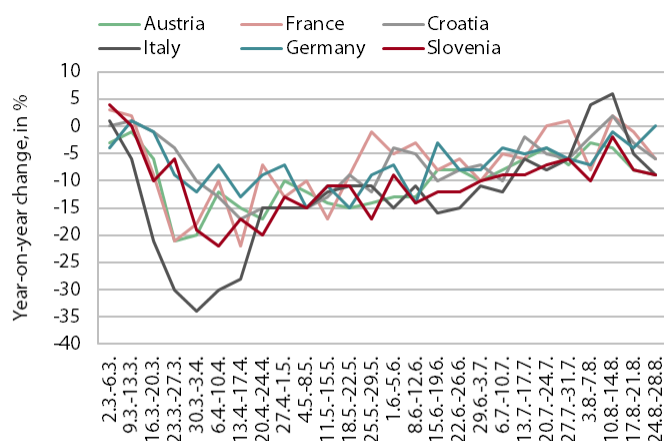
## CURRENT ECONOMIC TRENDS

### 31 August – 4 September 2020

As already indicated by short-term indicators of activity, GDP contracted significantly in the second quarter (by 13% year on year) as a consequence of the outbreak of the COVID-19 epidemic. As expected, the largest decline was recorded in some service activities that were the most affected by the containment measures. According to the Labour Force Survey, labour market conditions deteriorated as well. The number of employed persons was lower year on year, mainly due to a steep decline in the volume of student work. The survey unemployment rate was 1 percentage point higher than in the second quarter of 2019.

Freight traffic on motorways and the consumption of electricity in the economy indicate a relatively fast strengthening of activity in June and July, while in the second half of August both indicator values fell slightly again. In August, consumer prices dropped further year on year, again mainly due to lower prices of oil products.

### Electricity consumption, August 2020

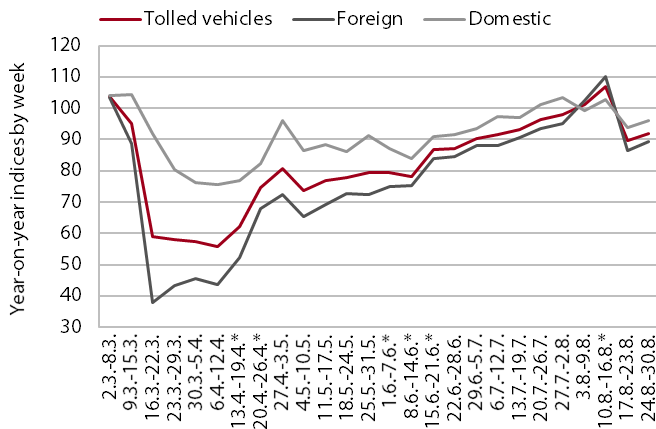


Source: ENTSO-E and Bruegel.org. Notes: Only consumption on working days (between 8.00 and 18.00) is considered. The percentages are adjusted for temperature differences.

**In the last week of August, the year-on-year fall in weekly electricity consumption remained approximately the same as in the previous week.**

Weekly consumption was 9% lower year on year, the fall being somewhat larger than at the beginning of August. Among Slovenia's main trading partners, Austria and Italy recorded a similar decline, while the decline in France and Croatia was somewhat smaller (6%). In Germany, electricity consumption reached last year's level in the last week of August.

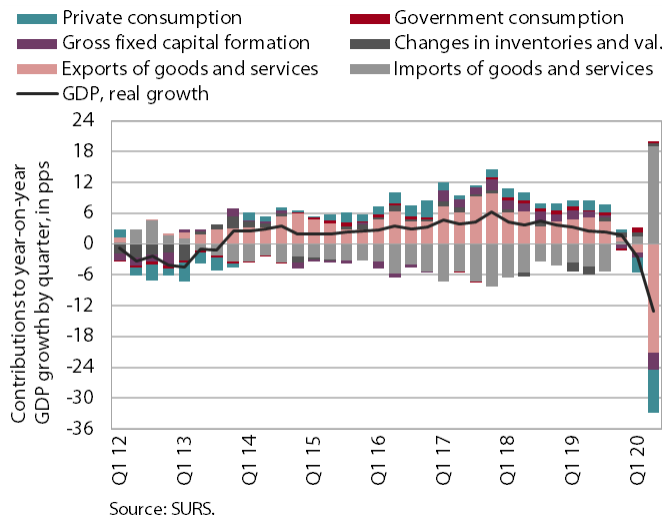
## Traffic of electronically tolled vehicles<sup>1</sup> on Slovenian motorways, August 2020



Source: Internal reports provided by DARS. Note: Owing to a different number of working days, we adjusted the dataset by excluding some days of the week from the calculation.

In the second half of August, freight traffic on Slovenian motorways fell below the pre-epidemic level again. After a significant decline with the declaration of the epidemic, freight traffic increased more strongly again from the middle of June. By mid-August it was already 6% higher year on year (adjusted for holidays). Then it declined again and lagged 8% below the comparable 2019 level at the end of August.<sup>2</sup> The distance travelled by domestic and foreign hauliers was 4% and 10% lower year on year respectively.

## GDP, Q2 2020



Source: SURS.

In the second quarter, the year-on-year decline in real GDP deepened strongly, as expected (-13%; in the first quarter -2.5%). With the closure of all non-essential service activities and stores selling non-food products related to the measures to contain the COVID-19 epidemic, the decline was mainly attributable to service activities, especially the group of trade, transportation, and accommodation and food service activities. Due to a decline in orders and interrupted or hampered supply chains, a steep decline was also recorded in manufacturing. Given the restrictions on the movement of people, household consumption also fell significantly. High uncertainty was also reflected in a significant fall in investment in machinery and equipment. Construction investment dropped as well. As a result of a decline in global trade, international trade barriers and severe containment measures in EU countries, exports and imports also fell markedly. Among consumption aggregates, only final government consumption strengthened year on year.

<sup>1</sup> The electronic tolling system applies to vehicles whose maximum permissible weight exceeds 3.5 tonnes (for the sake of simplicity, we refer to them as freight vehicles or trucks).

<sup>2</sup> The data for the Easter, Labour Day and Assumption Day weeks are partially adjusted due to the different number and distribution of working days and public holidays in Slovenia. In the first three weeks of June, we made a similar adjustment due to the impact of public holidays in neighbouring countries.

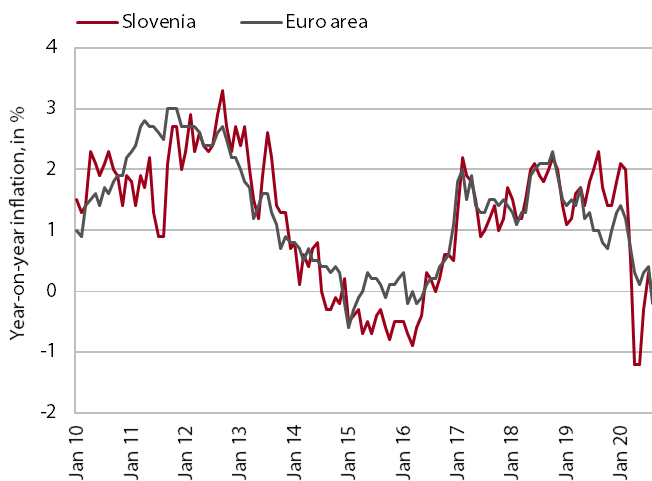
## Active and inactive population, Q2 2020



Source: SURS; calculations by IMAD.

**According to the Labour Force Survey data, labour market conditions deteriorated in the second quarter, as expected.** The number of employed persons was 1.2% lower year on year. The number of self-employed persons fell even more (-8.8%). Among the employed, there was a pronounced decline in the volume of student work (by more than half), while the number of persons in paid employment remained more or less unchanged. The number of unemployed persons was around a quarter higher year on year, the increase being more pronounced among younger age groups. The ILO unemployment rate was 5.2%, one percentage point higher than in the same period of last year.

## Consumer prices, August 2020



Source: SURS, Eurostat.

**After July's growth, consumer prices were again lower year on year in August.** The decline was again mainly due to lower prices of oil products. The fall in prices of semi-durable goods also deepened again, largely due to the monthly decline in prices of clothing and footwear (1.5%), which had risen in August last year. Prices of durable goods also remained down year on year. A more pronounced decline was prevented by prices of services, whose growth slowed down slightly, but still amounted to almost 2%. Food price growth stabilised at around 3.5% after the decline in June.

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
GDP, real	31.08.2020	30.11.2020	% (Q/Q-1) <sup>3</sup>	0.5	0.0	0.8	0.4	-4.8	-9.6
	31.08.2020	30.11.2020	% (Q/Q-4)	3.3	2.5	2.4	1.7	-2.5	-13.0
Private consumption, real	31.08.2020	30.11.2020	% (Q/Q-1) <sup>3</sup>	0.4	0.8	0.1	0.1	-6.9	-10.6
	31.08.2020	30.11.2020	% (Q/Q-4)	2.5	3.8	3.2	1.2	-5.8	-16.6
Government consumption, real	31.08.2020	30.11.2020	% (Q/Q-1) <sup>3</sup>	1.1	-1.8	2.7	-3.9	8.2	-5.0
	31.08.2020	30.11.2020	% (Q/Q-4)	3.9	1.1	3.4	-2.0	4.9	1.5
Gross investment, real	31.08.2020	30.11.2020	% (Q/Q-1) <sup>3</sup>	-1.5	1.2	4.0	-4.2	-3.1	-8.1
	31.08.2020	30.11.2020	% (Q/Q-4)	0.4	-1.5	5.5	0.1	-1.8	-12.8
Exports of goods and services, real	31.08.2020	30.11.2020	% (Q/Q-1) <sup>3</sup>	1.4	0.9	-0.6	-0.8	-2.3	-21.7
	31.08.2020	30.11.2020	% (Q/Q-4)	5.6	6.0	5.3	0.9	-1.9	-24.5
Imports of goods and services, real	31.08.2020	30.11.2020	% (Q/Q-1) <sup>3</sup>	1.3	0.5	0.7	-3.0	-0.7	-22.6
	31.08.2020	30.11.2020	% (Q/Q-4)	4.7	5.9	7.4	-0.8	-1.9	-25.0
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
Trade balance <sup>1</sup>	13.08.2020	14.09.2020	EUR m	169.7	148.0	107.4	287.9	:	:
Current account <sup>1</sup>	13.08.2020	14.09.2020	EUR m	226.0	187.3	95.8	302.5	:	:
Exports of goods, real <sup>2</sup>	07.08.2020	09.09.2020	% (M/M-1) <sup>4</sup>	-7.8	-24.3	15.7	8.1	:	:
	07.08.2020	09.09.2020	% (M/M-12)	3.3	-27.0	-18.5	-2.3	:	:
Imports of goods, real <sup>2</sup>	07.08.2020	09.09.2020	% (M/M-1) <sup>4</sup>	-8.6	-25.1	15.2	12.9	:	:
	07.08.2020	09.09.2020	% (M/M-12)	1.1	-36.1	-17.1	-1.0	:	:
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
Inflation (CPI)	31.08.2020	30.09.2020	% (M/M-1)	-0.8	-0.9	0.9	1.3	-0.1	-0.1
	31.08.2020	30.09.2020	% (M/M-12)	0.5	-1.2	-1.2	-0.3	0.3	-0.1
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
Gross earnings per employee – nominal	17.08.2020	15.09.2020	% (M/M-1)	-2.3	10.2	-2.3	-4.2	:	:
	17.08.2020	15.09.2020	% (M/M-12)	0.3	11.9	9.5	5.5	:	:
- private sector	17.08.2020	15.09.2020	% (M/M-1)	-5.3	8.6	-2.5	-3.3	:	:
	17.08.2020	15.09.2020	% (M/M-12)	-1.4	8.4	6.5	4.2	:	:
- public sector	17.08.2020	15.09.2020	% (M/M-1)	3.1	10.9	-2.2	-4.6	:	:
	17.08.2020	15.09.2020	% (M/M-12)	3.5	16.3	12.8	7.1	:	:
- of which government sector	17.08.2020	15.09.2020	% (M/M-1)	1.9	13.9	-1.9	-5.1	:	:
	17.08.2020	15.09.2020	% (M/M-12)	4.9	19.0	16.0	9.3	:	:
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
Employed persons	18.08.2020	16.09.2020	% (M/M-1) <sup>4</sup>	-0.4	-1.3	-0.3	-0.1	:	:
	18.08.2020	16.09.2020	% (M/M-12)	0.6	-1.0	-1.5	-1.6	:	:
Registered unemployed persons	03.09.2020	05.10.2020	% (M/M-1) <sup>4</sup>	5.9	16.3	2.2	0.2	-0.9	-0.8
	03.09.2020	05.10.2020	% (M/M-12)	1.7	19.9	25.6	26.3	24.4	23.2
Registered unemployment rate	18.08.2020	16.09.2020	%	8.0	9.1	9.3	9.2	:	:
				2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2
Employment, LFS	28.08.2020	27.11.2020	% (Q/Q-1) <sup>5</sup>	0.1	0.3	-1.2	0.4	0.7	-2.2
	28.08.2020	27.11.2020	% (Q/Q-4)	1.5	0.7	-0.8	-0.4	0.4	-2.3
ILO unemployment rate, LFS	28.08.2020	27.11.2020	%	4.8	4.2	4.8	4.0	4.6	5.2
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
Industrial producer prices, domestic market	21.08.2020	21.09.2020	% (M/M-1)	-0.8	0.3	-0.3	0.9	-0.3	:
	21.08.2020	21.09.2020	% (M/M-12)	0.4	0.3	-0.2	0.7	0.3	:
Production volume in manufacturing, real	10.08.2020	10.09.2020	% (M/M-1) <sup>3</sup>	-11.9	-17.8	10.8	4.7	:	:
	10.08.2020	10.09.2020	% (M/M-12)	-4.9	-28.3	-19.3	-5.0	:	:
Construction, real value of construction output	14.08.2020	15.09.2020	% (M/M-1) <sup>3</sup>	-10.6	-7.6	-2.6	-7.1	:	:
	14.08.2020	15.09.2020	% (M/M-12)	-2.1	-6.9	-13.3	-15.3	:	:
Turnover in trade, real	27.08.2020	28.09.2020	% (M/M-1) <sup>3</sup>	-14.0	-14.0	23.3	5.0	:	:
	27.08.2020	28.09.2020	% (M/M-12)	-13.5	-27.4	-12.8	0.1	:	:
Nominal turnover in market services	27.08.2020	25.09.2020	% (M/M-1) <sup>3</sup>	-13.8	-18.1	10.4	9.1	:	:
	27.08.2020	25.09.2020	% (M/M-12)	-12.8	-29.4	-23.4	-12.7	:	:
				2014	2015	2016	2017	2018	2019
General government deficit/surplus (ESA 2010)	31.03.2020	30.09.2020	% BDP	-5.5	-2.8	-1.9	0.0	0.7	0.5
Consolidated gross general government debt (ESA)	31.03.2020	30.09.2020	% BDP	80.3	82.6	78.7	74.1	70.4	66.1
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
Economic sentiment indicator <sup>2</sup> , seasonally adjusted	25.08.2020	24.09.2020	% <sup>3</sup>	-3.7	-39.2	-32.6	-23.6	-17.9	-6.6
				2020 m 3	2020 m 4	2020 m 5	2020 m 6	2020 m 7	2020 m 8
EURIBOR, 3-month	Beginning of the month *		%	-0.417	-0.254	-0.272	-0.376	-0.444	-0.480
Long-term government bond yields	Beginning of the month		%	0.32	0.75	0.75	0.43	0.17	0.05
Exchange rate, USD to EUR	Beginning of the month		US\$	1.1063	1.0862	1.0902	1.1255	1.1463	1.1828

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

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