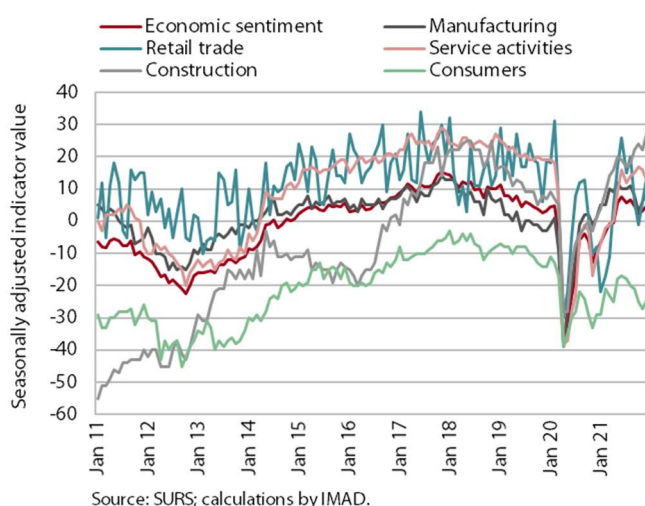


CURRENT ECONOMIC TRENDS

20–24 December 2021

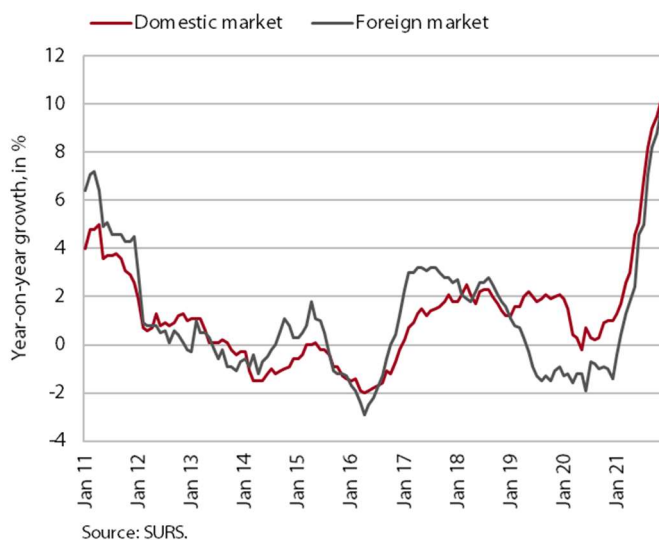
Economic sentiment and consumer confidence improved slightly at the end of the year, but remain lower than in the previous quarter. Slovenian industrial producer prices continue to rise rapidly, and the year-on-year increase is mainly due to higher prices of intermediate goods. Growth in average gross wages in the private sector remains high year-on-year. This is mainly due to the increase in the minimum wage at the beginning of the year, but also to the return to employment of workers who had participated in job retention measures and labour shortages in some sectors. Year-on-year public sector wage growth slowed significantly in the second half of the year (cessation of epidemic-related bonus payments). With relatively high turnover in the real estate market, average dwelling price growth accelerated in the third quarter.

Economic sentiment, December 2021



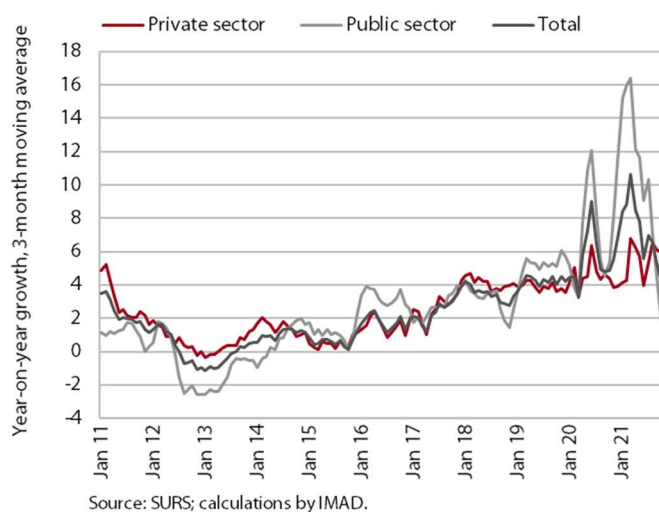
The Economic Sentiment Indicator improved in December, but the average value for the last three months points to a slowdown in economic activity in the last quarter. At the monthly level, confidence improved in most activities and among consumers. Confidence thus remained significantly higher in December than in the same period last year, and was also higher in manufacturing and construction than in the same period in 2019. Despite the improvement in the last two months, confidence in most activities deteriorated compared to the previous quarter. The deterioration in manufacturing is the result of current situation in the international environment (supply bottlenecks, rising non-energy commodity and energy prices), while the deterioration in the retail trade and among consumers was caused by uncertainty about the epidemic situation and measures. On the positive side, confidence in construction stands out, which increased significantly in the last quarter and is well above the long-term average.

Slovenian industrial producer prices, November 2021



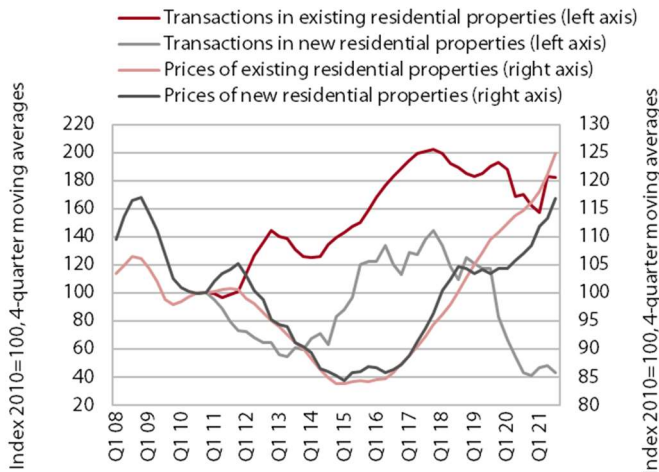
Slovenian industrial producer prices continue to rise. They increased by almost a tenth year-on-year in November. Prices are rising across all industrial groups, both in the domestic and foreign markets. Overall growth continues to be driven mainly by prices in the intermediate goods group, which rose by around 15% year-on-year. The increase in prices for capital goods has stabilised at around 8.5% over the past three months. Energy prices have also risen and despite the increase in the last two months, their year-on-year growth in the domestic market remains relatively low (3.7%). In the face of production bottlenecks and higher non-energy commodity (intermediate goods) and energy prices, prices for consumer goods, which rose by 3% year-on-year, increased more in November than in previous months. Prices in the durable goods group rose somewhat more strongly, by about 4%, while prices for non-durable consumer goods increased by about 3% year-on-year.

Wages, October 2021



Year-on-year wage growth in the public sector was low in October (0.5%), while it remained relatively high in the private sector (5.7%). Year-on-year public sector wage growth slowed significantly in the second half of the year due to the cessation of epidemic-related bonus payments¹. In the first ten months, public sector wages were 9.1% higher than in the same period last year. In the private sector, average wages increased by 5.7% year-on-year in the first ten months, mainly due to the impact of the minimum wage increase at the beginning of the year, but also to the return to employment of workers who had participated in job retention measures. According to our estimates, wage growth in some private sector activities (administrative and support service activities, construction and accommodation and food service activities) may already be affected by labour shortages.

¹ The payment of most bonuses ceased in mid-June 2021.



Source: SURS; calculations by IMAD. Note: Due to methodological changes transaction data are available from 2010 onwards.

Given the relatively high number of transactions, average dwelling price growth accelerated in the third quarter. Prices were up 12.9% year-on-year and 10.1% overall in the first nine months, which is a strong acceleration from the average growth of 4.6% in 2020. In the third quarter, year-on-year price increase was similar (by about 13%) for both existing and newly built dwellings (the latter account for only 1% of all transactions). According to our estimates, the growth of prices this year is influenced by several factors. On the supply side, the main factors affecting prices for several years are the low supply of newly built dwellings and, more significantly this year, higher prices for construction raw materials. On the other hand, the price increase is influenced by increased household demand stimulated by the rise in total savings during the epidemic, the maintenance of relatively high disposable income and the persistence of favourable credit conditions (new housing loans rose by more than a third year-on-year in the year to October).

Table: Selected macroeconomic indicators for Slovenia

Selected macroeconomic indicators for Slovenia	Date of release		Unit	Reference period					
	Latest	Next		2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3
GDP, real	30.11.2021	28.02.2022	% (Q/Q-1) ³	-9.4	11.9	-0.2	1.5	2.0	1.3
	30.11.2021	28.02.2022	% (Q/Q-4)	-11.0	-1.4	-3.1	1.6	16.3	5.0
Private consumption, real	30.11.2021	28.02.2022	% (Q/Q-1) ³	-11.3	20.7	-10.8	4.3	4.3	12.6
	30.11.2021	28.02.2022	% (Q/Q-4)	-13.1	1.4	-11.2	-0.8	18.4	9.3
Government consumption, real	30.11.2021	28.02.2022	% (Q/Q-1) ³	-1.6	1.9	-0.7	1.5	0.4	0.2
	30.11.2021	28.02.2022	% (Q/Q-4)	3.2	5.0	3.5	1.2	3.3	1.6
Gross investment, real	30.11.2021	28.02.2022	% (Q/Q-1) ³	-12.2	1.9	21.6	-2.9	13.0	-3.7
	30.11.2021	28.02.2022	% (Q/Q-4)	-13.3	-21.7	12.0	5.4	37.2	27.8
Exports of goods and services, real	30.11.2021	28.02.2022	% (Q/Q-1) ³	-20.7	17.4	6.4	2.8	0.9	0.3
	30.11.2021	28.02.2022	% (Q/Q-4)	-23.5	-8.9	-0.7	1.5	30.5	10.6
Imports of goods and services, real	30.11.2021	28.02.2022	% (Q/Q-1) ³	-21.6	14.2	8.1	4.7	4.4	1.6
	30.11.2021	28.02.2022	% (Q/Q-4)	-23.6	-12.2	-0.8	1.1	36.1	19.9
Trade balance¹	14.12.2021	13.01.2022	EUR m	49.9	-58.8	-121.6	71.6	:	:
Current account¹	14.12.2021	13.01.2022	EUR m	162.1	115.3	33.7	217.3	:	:
Exports of goods, real²	10.12.2021	04.01.2022	% (M/M-1) ⁴	2.6	-0.1	-0.5	1.6	:	:
	10.12.2021	04.01.2022	% (M/M-12)	11.2	17.2	10.3	4.9	:	:
Imports of goods, real²	10.12.2021	04.01.2022	% (M/M-1) ⁴	0.2	6.6	-1.3	-2.4	:	:
	10.12.2021	04.01.2022	% (M/M-12)	12.5	23.2	26.4	10.7	:	:
Inflation (CPI)	30.11.2021	30.12.2021	% (M/M-1)	0.4	0.1	-0.1	0.9	0.7	:
	30.11.2021	30.12.2021	% (M/M-12)	2.0	2.1	2.4	3.0	4.6	:
Gross earnings per employee – nominal	22.12.2021	24.01.2022	% (M/M-1)	-0.6	-2.1	-1.4	0.7	:	:
	22.12.2021	24.01.2022	% (M/M-12)	7.1	4.8	4.1	3.6	:	:
- private sector	22.12.2021	24.01.2022	% (M/M-1)	0.1	0.9	-1.1	-0.2	:	:
	22.12.2021	24.01.2022	% (M/M-12)	6.1	6.0	6.2	5.7	:	:
- public sector	22.12.2021	24.01.2022	% (M/M-1)	-1.4	-7.0	-2.1	2.4	:	:
	22.12.2021	24.01.2022	% (M/M-12)	9.3	3.4	1.0	0.5	:	:
- of which government sector	22.12.2021	24.01.2022	% (M/M-1)	-1.1	-9.4	-1.6	2.6	:	:
	22.12.2021	24.01.2022	% (M/M-12)	10.6	2.9	0.4	-0.4	:	:
Employed persons	16.12.2021	18.01.2022	% (M/M-1) ⁴	0.3	0.2	0.2	0.2	:	:
	16.12.2021	18.01.2022	% (M/M-12)	2.3	2.4	2.3	2.5	:	:
Registered unemployed persons	03.12.2021	05.01.2022	% (M/M-1) ⁴	-1.9	-1.8	-1.8	-1.8	-2.4	:
	03.12.2021	05.01.2022	% (M/M-12)	-21.0	-21.4	-21.1	-20.3	-22.3	:
Registered unemployment rate	16.12.2021	18.01.2022	%	7.3	7.1	6.8	6.8	:	:
Employment, LFS	26.11.2021	28.02.2022	% (Q/Q-1) ⁵	-2.0	0.5	0.9	-4.9	5.1	1.1
	26.11.2021	28.02.2022	% (Q/Q-4)	-2.3	-0.3	0.4	-5.5	1.1	1.9
ILO unemployment rate, LFS	26.11.2021	28.02.2022	%	5.2	5.1	5.1	5.6	4.3	4.5
Industrial producer prices, domestic market	21.12.2021	21.01.2022	% (M/M-1)	1.4	1.5	0.7	0.7	0.8	:
	21.12.2021	21.01.2022	% (M/M-12)	6.9	8.2	9.0	9.5	10.1	:
Production volume in manufacturing, real	10.12.2021	10.01.2022	% (M/M-1) ³	-1.4	1.0	0.7	0.2	:	:
	10.12.2021	10.01.2022	% (M/M-12)	7.1	13.5	9.9	4.1	:	:
Construction, real value of construction output	15.12.2021	14.01.2022	% (M/M-1) ³	-3.9	0.7	8.4	-9.2	:	:
	15.12.2021	14.01.2022	% (M/M-12)	-8.2	-7.5	0.8	-10.7	:	:
Turnover in trade, real	29.11.2021	29.12.2021	% (M/M-1) ³	-3.0	1.3	1.2	:	:	:
	29.11.2021	29.12.2021	% (M/M-12)	-0.8	9.1	8.6	:	:	:
Real turnover in market services	30.11.2021	29.12.2021	% (M/M-1) ³	3.0	2.2	-0.2	:	:	:
	30.11.2021	29.12.2021	% (M/M-12)	10.9	16.6	12.6	:	:	:
General government deficit/surplus (ESA 2010)	30.09.2021	30.12.2021	% BDP	-2.8	-1.9	-0.1	0.7	0.4	-7.7
Consolidated gross general government debt (ESA 2010)	30.09.2021	30.12.2021	% BDP	82.6	78.5	74.2	70.3	65.6	79.8
Economic sentiment indicator⁵, seasonally adjusted	23.12.2021	25.01.2022	% ³	5.7	6.5	4.7	2.3	3.1	5.0
EURIBOR, 3-month	Beginning of the month *		%	-0.5448	-0.5476	-0.5450	-0.5498	-0.5674	:
Long-term government bond yields	Beginning of the month		%	-0.0200	-0.1179	0.0800	0.2500	0.2300	:
Exchange rate, USD to EUR	Beginning of the month		US\$	1.1822	1.1772	1.1770	1.1601	1.1414	:

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

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

* calculations by IMAD.

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

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