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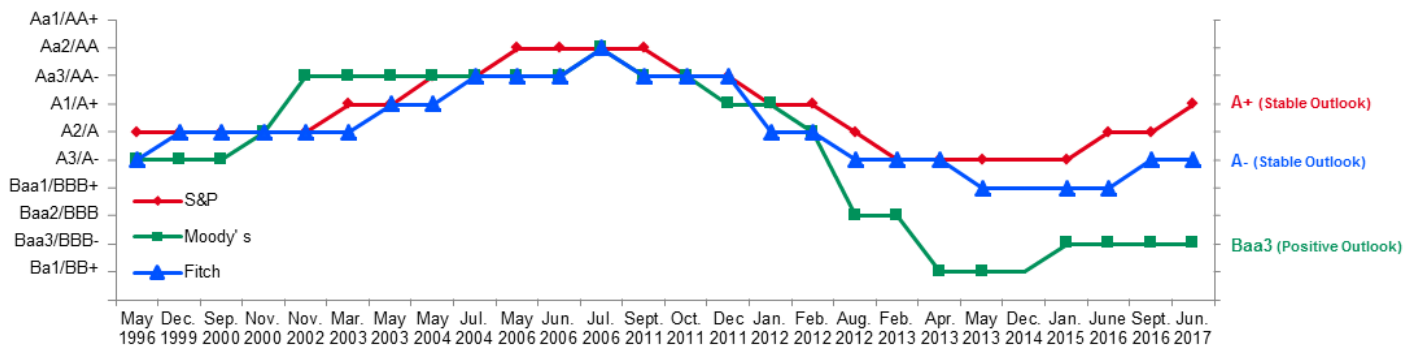
RATING AGENCY S&P RAISED SLOVENIA'S CREDIT RATING FROM 'A' POSITIVE TO 'A+' WITH A STABLE OUTLOOK

June 16, 2017, S&P upgraded the Republic of Slovenia's long-term foreign and local currency credit rating from **A** to **A+** with a stable outlook. The full rating action report can be found on the following link, where username and password is required:

Link: https://www.standardandpoors.com/en_EU/web/quest/article/-/view/type/HTML/id/1869805

The Credit rating information of the Republic of Slovenia is presented in the below Figure 1.

Figure 1: Credit Rating of the Republic of Slovenia Over Time



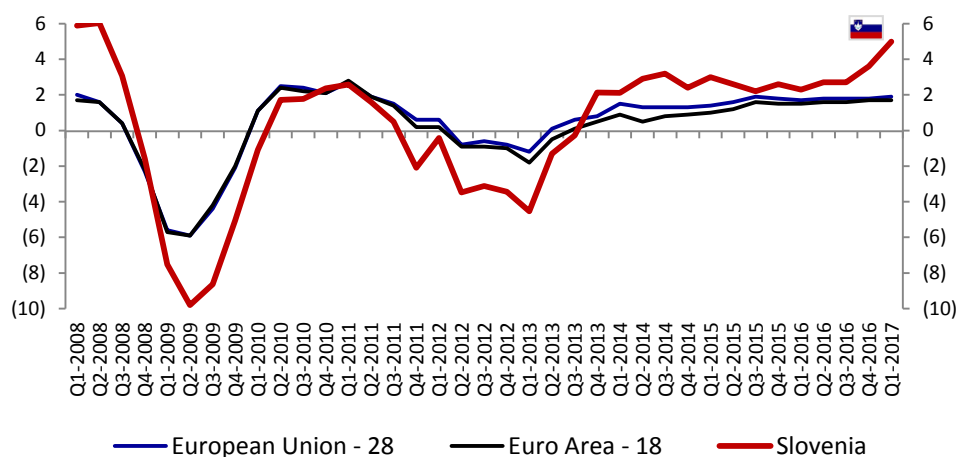
Source: S&P, Fitch and Moody's, 19.6.2017

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SLOVENIA'S STRONG GDP GROWTH CONTINUES: GDP UP BY 5.3% IN THE FIRST QUARTER OF 2017 (% CHANGE Q/Q-4)

In the first quarter of 2017 GDP increased by 5.3% in comparison to the same quarter of 2016. Seasonally adjusted GDP increased by 5.0% in comparison to the same quarter of 2016. The growth continues to be underpinned by exports and becoming more balanced by a growing domestic private consumption. The growth is well above the EA-18 average of 1.7% and the EU-28 average of 1.9%.

Figure 2: Real Quarterly GDP Growth Rate (SA % change Q/Q-4)



Source: Statistical Office of the Republic of Slovenia (SORS), Eurostat, (SA) Seasonally Adjusted data, 19.6.2017

Strong Domestic Consumption Growth

In the first quarter of 2017 growth of domestic consumption increased by 5% over the fourth quarter of 2016. Strong growth was observed in both final consumption expenditure and gross capital formation. Final consumption expenditure increased by 3.4% and contributed to GDP growth 2.4 percentage points. Household final consumption increased the most, i.e. by 4%. Gross capital formation, which increased by 1% in 2016, increased in the first quarter of 2017 by 10.5% and contributed 2.1 percentage points to GDP growth. Gross fixed capital formation increased due to high growth of investments in construction sector and in other machinery and equipment.

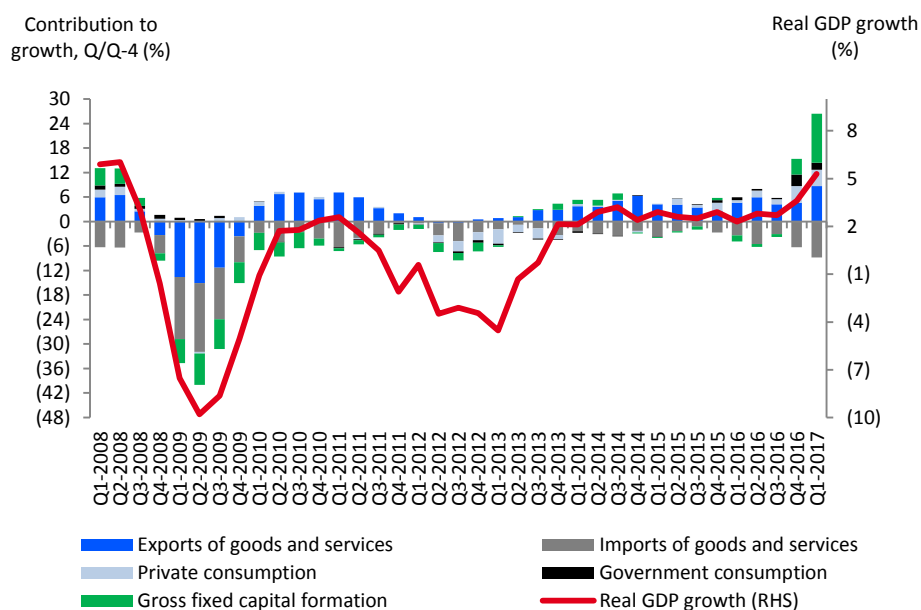
Propitious External Trade Balance

After the slowdown of exports and imports in the previous two quarters, in the first quarter of 2017 higher growth of imports and exports was observed. Growth rates were almost equal; imports increased by 8.8% and exports by 8.7%.

Total Employment Increased

Total employment in the first quarter of 2017 increased by 2.6% over the same quarter of the previous year. Most people were employed in manufacturing, followed by other business activities, health and social care, trade, and transport activities.

Figure 3: Contributions to Real GDP Growth (% chg. Q/Q-4)



Source: Statistical Office of the Republic of Slovenia (SORS), Original data, 19.6.2017

Notes

Unless otherwise specified, all comparisons in this text refer to original data, to volume or real changes and to changes compared with the same quarter of the previous year.

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