



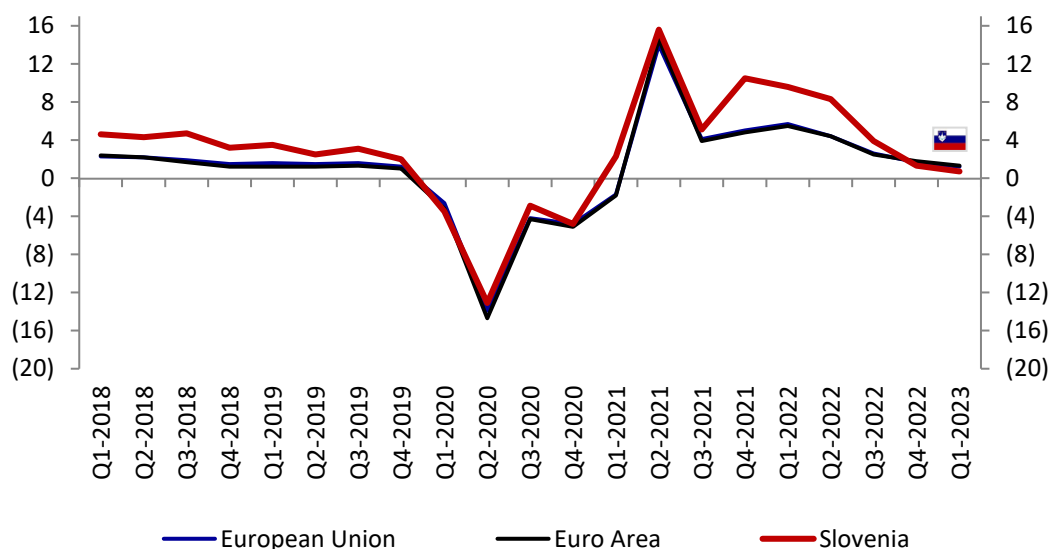
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## ECONOMIC GROWTH IN SLOVENIA CONTINUES IN 2023

According to the Statistical Office of the Republic of Slovenia (SORS), seasonally and calendar adjusted GDP in Slovenia increased by 0.7% in the 1<sup>st</sup> quarter of 2023 compared with the same quarter of the previous year. According to a flash estimate published by Eurostat, seasonally adjusted GDP increased by 1.3% year-on-year in the euro area (EA) and by 1.2% in the EU (Figure 1).

Economic activity in Slovenia continues to be supported by household consumption, which is boosted by high employment and the strong contribution from the external trade surplus.

**Figure 1: Real Quarterly GDP Growth Rate (SA% change Q/Q-4)**



Source: Statistical Office of the Republic of Slovenia (SORS), Eurostat, (SA) Seasonally Adjusted data, 18.5.2023

### Total employment

The positive employment trend continued at the beginning of 2023. In the 1<sup>st</sup> quarter of 2023, it stood at 1,080,200 workers, increasing by 1.1% year-on-year (12,100 persons), i.e. mainly in construction and manufacturing. According to Eurostat's flash estimate, in the 1<sup>st</sup> quarter of 2023, the number of employed persons increased by 1.7% year-on-year in EA and by 1.6% in the EU.

The unemployment rate in Slovenia was 3.2% at the end of March 2023, well below the EA average (6.5%) and the EU average (6.0%).

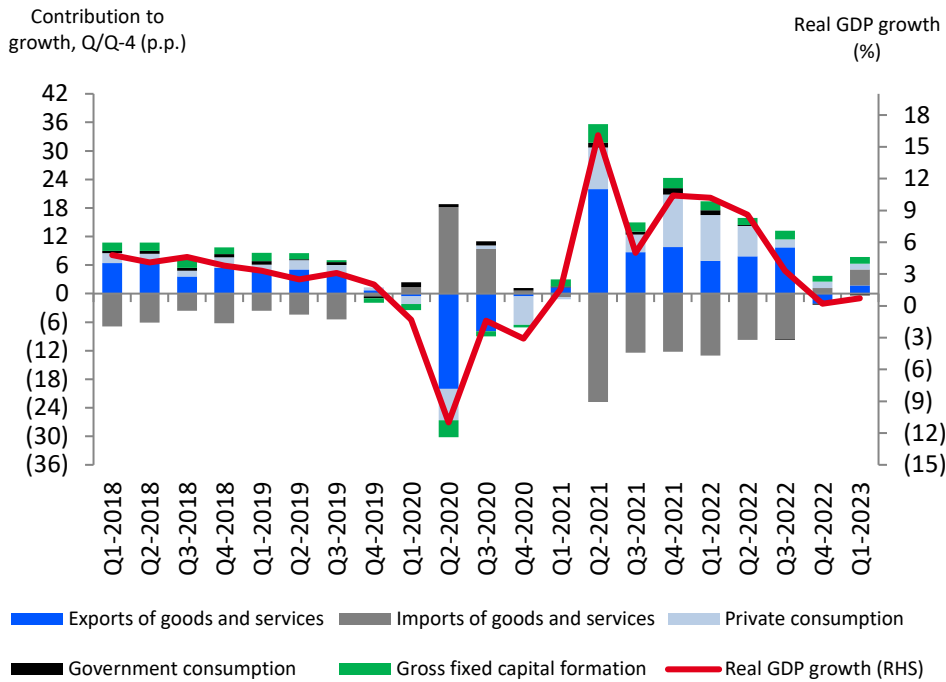
### Domestic Expenditure

Domestic expenditure decreased by 4.4% year-on-year in the 1<sup>st</sup> quarter of 2023, as inventory changes had a negative impact on total domestic expenditure (-6.5 p.p.). In contrast, positive contributions came from household consumption expenditure, which rose by 2.1%, and gross fixed capital formation, which increased by 6.5%.

## External trade balance

External demand exceeded domestic expenditure: Exports of goods and services rose by 1.9% and imports fell by 3.8% in the 1<sup>st</sup> quarter of 2023. External trade balance in services was positive for the fourth consecutive quarter, and external balance on goods was positive for the first time in two years. The contribution of external trade balance to GDP growth was significantly positive (by 5.1 p.p.) – the highest in the last ten years.

**Figure 2: Contributions to Real GDP Growth (% chg. Q/Q-4)**



Source: Statistical Office of the Republic of Slovenia (SORS), Original data, 18.5.2023

### 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.

## Inflation

Measured by the Harmonised Index of Consumer Prices, the annual increase in consumer prices in Slovenia was 9.2% in April 2023 (7.4% in April 2022). On average, prices for goods increased by 9.8% and prices for services by 8.0%. Prices for non-durable goods increased by 11.9%, for semi-durable goods by 7.5% and for durables by 3.9%.

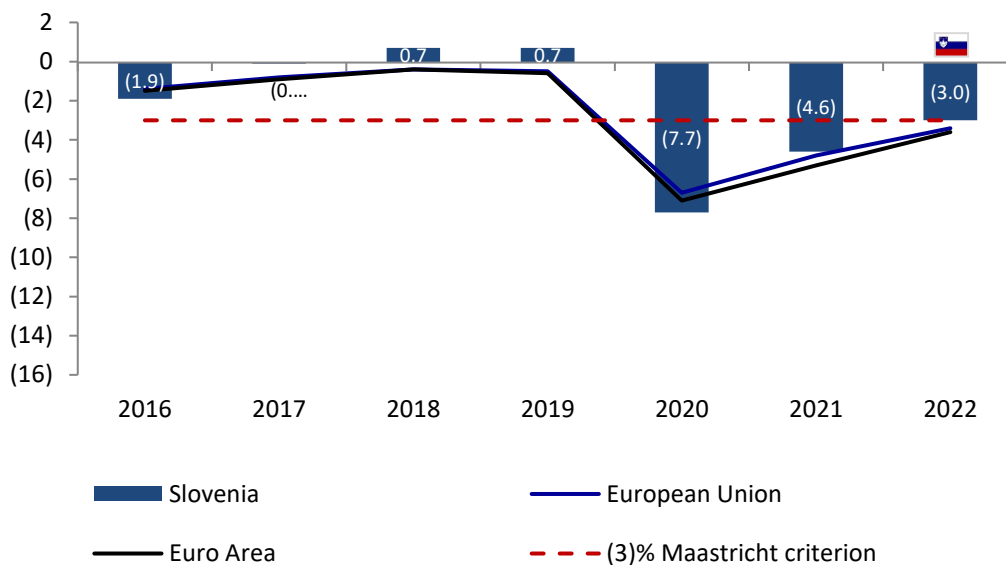
According to Eurostat, the EA HICP inflation rate was up to 7% in April 2023 and 8.1% in the EU.

## GENERAL GOVERNMENT DEFICIT AT 3.0% IN 2022

According to the report on the excessive deficit procedure published by Eurostat in April, Slovenia's general government deficit in 2022 amounted to EUR 1,779 million, or 3.0% of GDP. Compared with the preliminary estimate of the SORS at the end of March, the deficit was 0.9 percentage points of GDP, or EUR 539 million, lower.

In the euro area, the government deficit to GDP ratio was 3.6% in 2022 and 3.4% of GDP in the EU.

**Figure 3: General Government Balance (% of GDP)**



Source: Eurostat, Net lending (+) /net borrowing (-), 18.5.2023

## SLOVENIA CREDIT RATING AFFIRMED

**Rating Agency: Fitch Ratings (A, Stable Outlook)**

On Friday, 5 May, 2023, Fitch Ratings affirmed Slovenia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A' with a Stable Outlook .

The full report can be found on the Fitch Ratings's website: <https://www.fitchratings.com>

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