



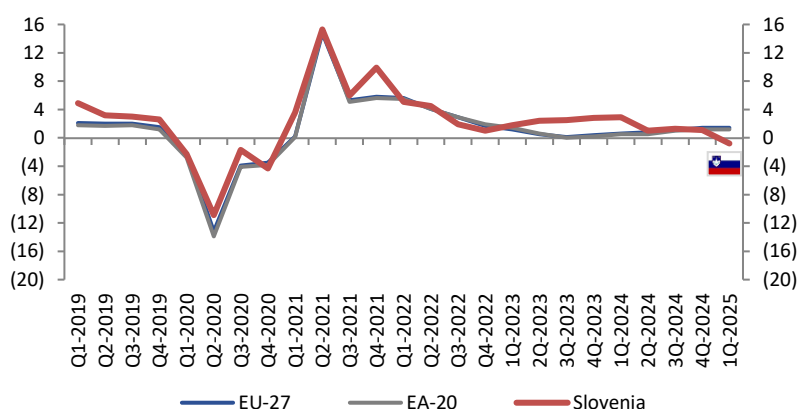
1

SLOVENIA'S ECONOMIC PERFORMANCE IN Q1 2025

In the first quarter of 2025, Slovenia's economy recorded its first contraction in five years, reflecting growing economic uncertainty. According to the Statistical Office of the Republic of Slovenia (SORS), seasonally adjusted GDP in the first quarter 2025 declined by 0.8% both quarter-on-quarter and year-on-year, following a +1.0% annual increase in the previous quarter. The main reasons for the downturn were weak investment and external trade, which outweighed domestic consumption, with final consumption expenditure by household and the government making a positive contribution to growth.

According to a flash estimate by Eurostat, Slovenia was among the few EU member states to experience a contraction. In contrast, seasonally adjusted GDP grew by 1.2% in the Euro Area and 1.4% in the EU compared to the same quarter last year, underscoring Slovenia's divergence from broader regional trends.

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



Source: SORS, Eurostat, (SA) Seasonally Adjusted data, 19. 5. 2025

Total employment

In the first quarter of 2025, total employment in Slovenia stood at 1,091,500, representing a year-on-year decrease of 0.5%, or approximately 5,400 fewer workers. The decline was primarily concentrated in construction, manufacturing, and administrative and support service activities. In contrast, employment increased in public administration and several service-related sectors, partially offsetting the overall decline.

The unemployment rate in Slovenia was 3.2% at the end of March 2025, well below the EA average (6.2%) and the EU average (5.8%).

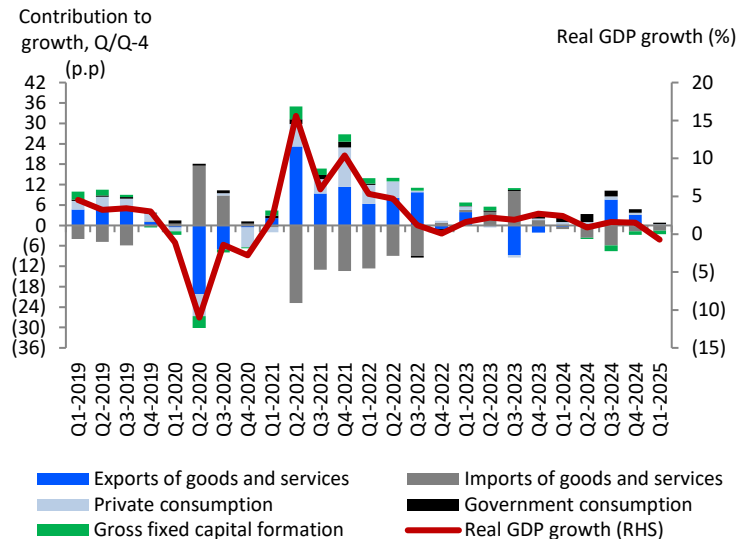
External Trade

The external trade balance negatively impacted GDP growth by 1.4 percentage points. While the value of exports of goods and services remained largely unchanged year-on-year (up by 0.1 %), this was driven primarily by an increase in service exports. In contrast, imports rose by 1.9 %, outpacing exports and contributing to the negative trade balance.

Domestic consumption

Domestic spending rose by 0.8% in Q1 2025, with final consumption expenditure making a positive contribution with growth of 1.0%, largely driven by a 2.6% increase in general government consumption. In contrast, gross fixed capital formation fell by 5.1%, similar to the drop seen in the previous quarter. The sharpest decline was observed in investment in buildings and structures, which had a notable impact on the construction sector, where value added fell 6.0% year-on-year. Meanwhile, relatively strong import growth combined with subdued investment was reflected in a positive contribution from inventories of 1.1 percentage points, suggesting cautious stockpiling amid ongoing economic uncertainty.

Figure 2: Contributions to Real GDP Growth (% change Q/Q-4)



Source: SORS, Original data, 19. 5. 2025

2

SCOPE RATINGS UPGRADES SLOVENIA'S CREDIT RATING OUTLOOK TO A+

On Friday, May 16, 2025, the rating agency Scope upgraded Slovenia's ratings to A+, from A, with a stable outlook. The upgrade highlights the country's fiscal stability, strong debt management and economic strength. The agency also considers it important that Slovenia continues to implement significant structural reforms in the pension and healthcare systems, as well as in long-term care, contributing to the sustainability of public finances.

The full report can be found on the Scope Ratings website: <https://www.scoperatings.com>

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