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Mrs. MATEJA VRANIČAR ERMAN IS THE NEW MINISTER OF FINANCE

Mrs. Mateja Vraničar Erman graduated from the Faculty of Law at the University of Ljubljana in 1989. She holds a Master of Public Administration Degree from the John F. Kennedy School of Government, Harvard University.

During 1989 and 1993 Mrs. Vraničar Erman worked at the Ministry of Foreign Affairs. In 1993 she joined the Ministry of Finance and worked in the field of tax, custom systems and state budget. She was responsible for the co-ordination and preparation of the first Slovenian Customs Act and relevant implementing regulations, which were based on the European customs system. Other positions she held at the Ministry of Finance include the Head of the Indirect Taxation Section, Head of the Department for Tax and Customs Policy and Legislation and Head of the General Tax matters and Analysis Department in the Directorate for the System of Tax, Customs and Other Public Finance Revenues.

Mrs. Vraničar Erman served as State Secretary responsible mainly for the tax and custom systems and the state budget from April 2010 to February 2012 and from 2013 to 2016 when she was appointed the Minister of Finance.

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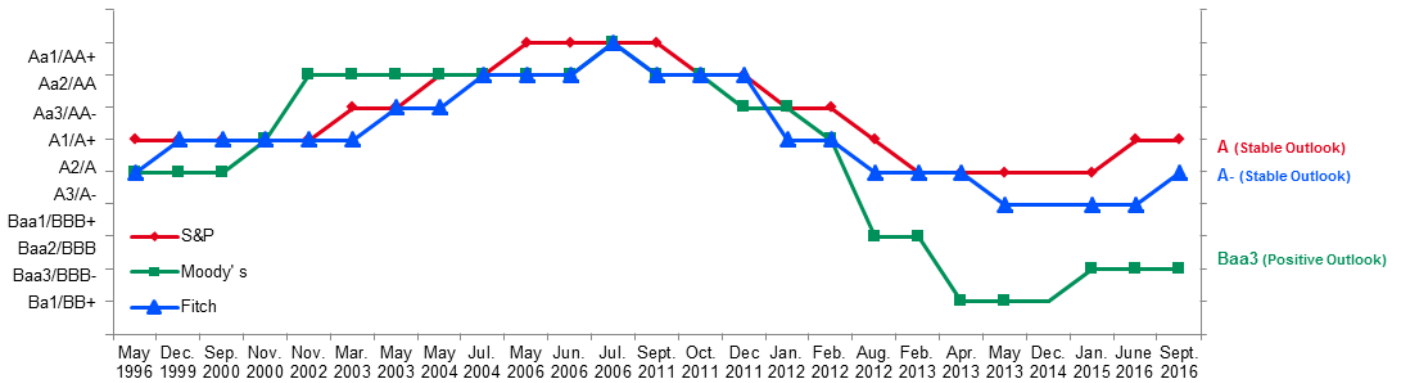
RATING AGENCY FITCH RAISED SLOVENIA'S CREDIT RATING FROM BBB+ POSITIVE TO A- WITH A STABLE OUTLOOK

September 23, 2016, Fitch upgraded the Republic of Slovenia's long-term foreign and local currency credit rating from **BBB+** 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.fitchratings.com/site/re/888057>

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

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



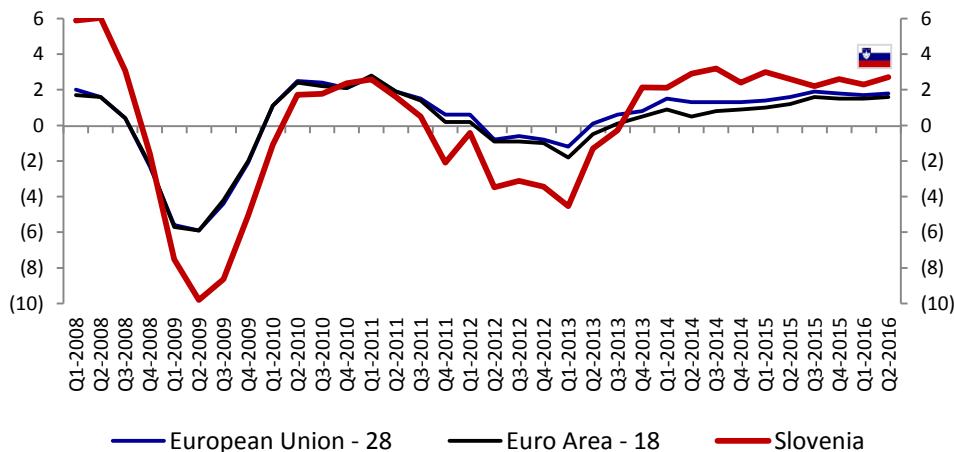
Source: S&P, Fitch and Moody's, 27.9.2016

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SLOVENIAN GDP GREW BY 2.7% IN THE SECOND QUARTER OF 2016 (% CHANGE Q/Q-4)

In the second quarter of 2016 GDP increased by 2.7% in comparison to the same quarter of previous year. In the first half of the year 2016 it increased by 2.5% over the first half of 2015. The growth continues to be underpinned by exports and recovery of domestic private consumption. The growth rate remains above the EA-18 average of 1.6% and the EU-28 average of 1.8%.

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, 27.9.2016

Solid export growth underpin economic performance

Total exports increased by 7.5% in the second quarter. Exports of goods went up by 8.8% and exports of services by 2.2%. The external trade surplus contributed 0.9 of a percentage point to the economic growth.

From the production side Manufacturing contributed 1.7 percentage points to the economic growth. Trade, accommodation and food service activities and real estate activities together contributed 0.9 of a percentage point.

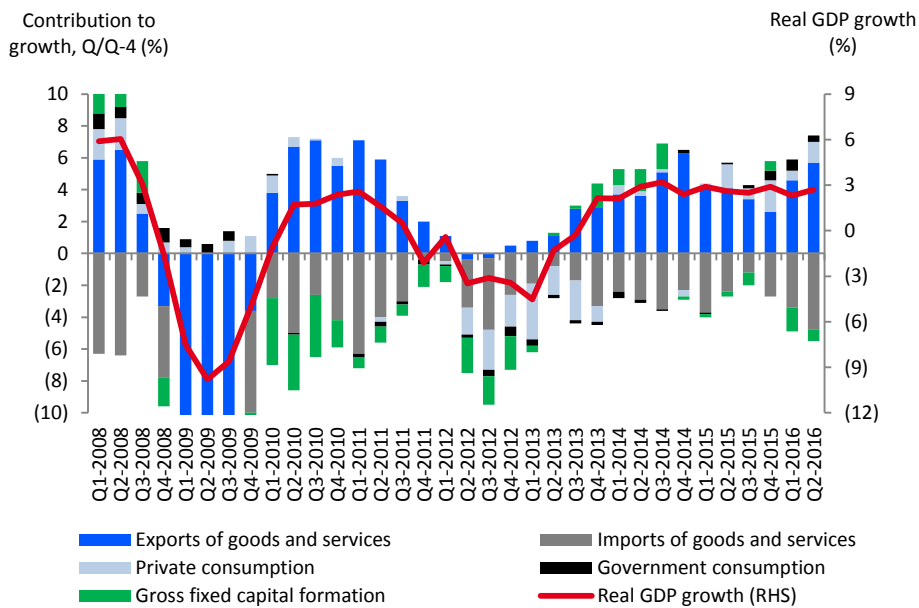
Recovery of domestic demand continues

Private consumption increased by 2% in the second quarter and gross fixed capital formation decreased by 3,6%. While lower construction investment (by 18%) had a negative impact on the growth of gross fixed capital formation, investment in machinery and equipment increased by 13.2% and thus mitigated the decline of gross fixed capital formation.

Employment recovery takes momentum

In the second quarter of 2016 total employment increased by 2%, which is the highest rate in the last two years. Sustained employment recovery begun in the second quarter of 2014, however at lower levels. In 2014 these varied from 0.4% to 0.9%, and in 2015 from 1.1% to 1.2%.

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



Source: Statistical Office of the Republic of Slovenia (SORS), Original data, 27.9.2016

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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