FOCUS ON INTERNATIONAL TRADE

SLOVENIA

THE REPUBLIC OF SLOVENIA TODAY

Location	The Republic of Slovenia (formerly the Socialist Republic of Slovenia, a
Location	
	constituent republic of the Socialist Federal Republic of Yugoslavia) is
	situated in south-central Europe touching the Alps and bordering the
	Mediterranean. It is bounded by Austria to the north, Hungary to the
	northeast, Croatia to the south and east and by Italy to the west, and it has
	a short western coastline on the Adriatic Sea.
Size	20,273 sq. km. (7,827 sq. miles). Land:20,151 sq km and water:122 sq
	km.
Geographical coordinates	North: 46°53′ N 16°14′E, South: 45°25′N 15°10′E, East: 46°28′N 16°36′E and
(Extreme geographical	West:46 ⁰ 17′N 13 ⁰ 23′E
points of Slovenia	
Land boundaries	Total: 1,334 km; Border countries: Austria 330 km, Croatia 670 km, Italy 232
	km and Hungary 102 km.
Coastline	46.6km.
Elevation extreme	Lowest point: Adriatic Sea: 0 m and highest point: 2,864 m.
Land use	Arable land: 12%, permanent crops: 3%, permanent pastures:24%, forests
	and woodland:54% and other: 7%.
Irrigated land	30 sq. km. (Approx).
Population	2,099,790 estimated for July 2023.
Population Density	99.15 (approx) per sq. km.
Population growth	-0.08% in 2023.*
(annual %)	-0.0070 111 2023.
Life expectancy at birth	Total population: 92.02 years, 70.19, years (man) and 94.09 years (wemon)
Life expectancy at birth	Total population:82.02 years, 79.18 years (men) and 84.98 years (women). (2023)*.
Birth rate	8.12 births/1,000 population in 2023.*
Death rate	10.46 deaths/1,000 population in 2023*.
Net migration rate	1.54 migrant (s)/1,000 population in 2023*.
Literacy	Total population: 99.7%, male: 99.7% and female:99.7%. (2015)*
Capital City	Ljubljana
Other Large Cities	Maribor, Kranj, Celje, Koper (Capodistria), Novo mesto and Nova gorcia etc.
Religion	The majority religion in Slovenia is Roman Catholicism, although there are
	small communities of other Christian (in particular Eastern Orthodox)
	denominations and of Muslims and Jews.
Language	The official language is Slovene, and in ethnically-mixed regions also
Language	Hungarian and Italian.
Climate	The climate is Alpine in the mountainous areas, Mediterranean along the
Cimace	coast and continental in the interior. Average temperatures range from
	between 0°C (32°F) and 22°C (71°F) inland, and between 2°C (35.6°F) and
	24°C (75.2°F) on the coast. Average annual rainfall ranges from 800 mm
	(31.5 ins) in the east to 3,000 mm (118.1 ins) in the northwest.
International Relations	Slovenia is a member of the UN, WTO, BIS, NATO Partnership for Peace,
International Relations	
	Council of Europe, OSCE, CEFTA, CEI, the Inter-American Development Bank
	and IOM, and is an Associate Partner of the WEU and an Associate Member
	of the EU. Intensive negotiations regarding Slovenia's accession to full
Takawa ak dawa siy	membership of the EU began in April 1998. It joined the union in May 2004.
LIDEORDOE GOMBIN	
Internet domain	.sl
Internet domain International dialing code Currency	+386 The unit of currency is the tolar (SLT) of 100 stotinas.

NATIONAL ECONOMY

Slovenia recovered quickly from the pandemic, with GDP increasing by more than 8 percent in 2021, largely driven by exports and private consumption. Strong economic performance has continued into 2022, but growth slowed significantly in the third quarter as spillovers from the war in Ukraine and rising prices weighed on economic activity. The labor market is tight, with unemployment at an historic low, but wage growth remains lower than inflation.

Growth is expected to slow further to 1.8 percent in 2023 from 5.4 percent in 2022, reflecting weaker external demand and subdued private consumption and investment, partly offset by an expected accommodative fiscal policy stance. Inflation is expected to decline but will likely remain elevated for some time before returning to target. The economic outlook is highly uncertain, and risks, mainly from war-related spillovers, are mostly on the downside. Over the medium term, growth is projected to rebound to its potential of around 3 percent, underpinned by investments and reforms, including those supported by EU funds.

Executive Board Assessment

In the course of Article IVG consultation between IMF and Slovenia, executive directors of the IMF commended as follows; -

After an impressive post-pandemic recovery, Slovenia has continued to achieve strong economic growth, but the outlook has become more challenging. Real GDP increased by more than 8 percent in 2021, thus surpassing its pre-pandemic level, and economic activity remained strong in 2022. Staff's preliminary assessment suggests that the external position in 2022 is moderately stronger than the level implied by fundamentals and desirable policies. Russia's invasion of Ukraine poses considerable challenges, however, mainly through weaker external demand and high commodity prices, which are weighing on the economy. Growth is expected to slow in 2023 with downside risks stemming mainly from war-related spillovers. Inflation is expected to fall, but remain elevated, possibly triggering higher wage demands and higher inflation expectations.

A tighter fiscal stance is warranted in 2023 and energy price mitigation measures should be more targeted. Tight fiscal policy should support monetary policy in the effort to reduce inflation. With a positive output gap, tight labor market, and rising core inflation, it would be prudent to save part of the large contingency fund and to reduce the fiscal deficit in cyclically adjusted terms relative to 2022. Public debt remains sustainable but is vulnerable to shocks. Temporary and targeted support should be deployed to protect the vulnerable against high energy prices and less targeted measures should be phased out. Should downside risks materialize, automatic stabilizers should be allowed to operate fully and in case of a large adverse demand shock consideration could be given to deploying discretionary fiscal stimulus.

A growth-friendly consolidation would help rebuild fiscal buffers. Improving the tax policy mix to reduce reliance on labor taxes, while increasing property taxes and broadening the tax base, could generate additional revenue and induce a positive labor supply response. Reforming the pensions, health, and long-term care systems is a priority. On pensions, which account for the bulk of age-related fiscal costs over the long term, options include gradual adjustments to the retirement age and to indexation rules. Modernizing the public sector wage system by better linking remuneration to performance would align incentives and allow for better wage bill management. Further strengthening public investment management is also critical given the envisaged scaling up of public investment.

Slovenia's macro prudential stance is appropriate but risks have increased. Given systemic risks, the recent increase in the countercyclical capital buffer from zero to 0.5 percent is welcome. Macro prudential policies should remain flexible to ensure the right balance between financial stability and credit supply to the economy. Continued close monitoring of asset quality and

appropriate loan-loss provisioning remain important. Legacy Swiss franc loans should be handled on an individual basis and stability of contracts should be ensured.

Efforts should continue to be made to further strengthen the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) and restructuring frameworks. The focus should be on enhancing supervision to ensure that accurate and up-to-date beneficial ownership information of legal persons is available to competent authorities and reinforcing money laundering investigations and convictions. The transposition of the relevant EU legislation and its implementation is important for restructuring.

Measures to increase energy security should be compatible with Slovenia's green transition. The authorities should continue their efforts to ensure alternative gas supplies, encourage energy savings, and prepare contingency plans. While temporary reliance on more polluting energy sources may be needed in the short term, it is important to continue to keep a focus on long-term climate goals, including by further developing renewables to reduce dependence on fossil fuels. Carbon prices high enough to provide the right incentive for currently exempt polluting sectors should be put in place over time as the energy crisis abates.

Securing sustained and inclusive growth calls for further labor market reforms and digitalization to boost productivity. Policies to address disincentives to labor market participation should include reducing the relatively high labor tax wedge, reforming unemployment and pension policies to limit early exit from the labor market and tackling skill mismatches and inflexible work arrangements. Active labor market policies need to be well aligned with market needs, with education and training programs adapted to meet new demands from the green and digital transitions, and provided on a life-long basis. Closing remaining gaps in digital skills and the integration of digital technologies in businesses and public services would positively contribute to future productivity and growth.

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Slovenia: Selected Economic Indicators									
(Annual percentage	change, u	ınless not	ed otherv	vise)					
	2019	2020	2021	2022	2023	2024			
				Stat	ff Projecti	ions			
Population (millions)	2.08	2.10	2.11	2.11	2.11	2.12			
Nominal GDP (EUR millions)	48,533	47,021	52,208	58,762	63,404	67,612			
GDP per Capita (EUR)	23,323	22,435	24,755	27,844	29,989	31,959			
Real economy									
Real GDP	3.5	-4.3	8.2	5.4	1.8	2.4			
Domestic demand (contribution to growth)	3.2	-4.3	9.0	6.9	1.7	2.9			
Private consumption	5.3	-6.9	9.5	6.5	1.8	2.6			
Public consumption	1.8	4.1	5.8	2.4	0.8	0.6			
Gross capital formation	0.6	-7.1	15.1	12.3	3.8	6.2			
Net exports (contribution to growth)	0.2	0.0	-0.8	-1.5	0.1	-0.5			
Exports of goods and services	4.5	-8.6	14.5	6.2	3.9	4.2			
Imports of goods and services	4.7	-9.6	17.6	8.0	4.1	5.0			
Output gap (in percent of potential GDP)	0.9	-2.7	1.7	3.4	1.7	0.8			
Unemployment rate (in percent, ILO definition)	4.5	5.0	4.7	4.3	4.6	4.5			
Prices									
Consumer prices (national definition, period average)	1.6	-0.1	1.9	8.6	5.0	4.0			
Core inflation (period average) 1/	1.8	1.0	1.0	6.6	5.6	5.3			
Public finance (percent of GDP)									
General government balance	0.6	-7.7	-4.7	-3.1	-4.8	-2.5			

Structural balance	0.0	-6.5	-5.4	-4.4	-5.2	-2.7			
Structural primary balance	1.7	-4.9	-4.1	-3.2	-4.1	-1.4			
General government gross debt	65.4	79.6	74.5	70.5	69.2	67.4			
Monetary and financial indicators									
Credit to the private sector	3.4	-1.0	5.0	12.6	7.9	6.6			
Lending rates 2/	1.6	1.8	1.6						
Deposit rates 3/	0.2	0.1	0.1						
Government bond yield (10-year)	0.1	0.1	0.2						
Balance of payments (percent of GDP)									
Trade balance (goods and services)	8.7	9.3	6.4	3.0	3.6	3.7			
Current account balance	5.9	7.6	3.8	0.5	1.1	1.2			
Gross external debt (percent of GDP, end-period)	91.6	102.1	97.3	85.8	81.8	79.0			
Nominal effective exchange rate (2010=100)	104.8	106.9	107.7						
Real effective exchange rate (2010=100, CPI-based)	97.2	97.8	97.2						
Sources: Slovenia authorities and IMF staf	Sources: Slovenia authorities and IMF staff calculations and projections.								
1/ Harmonized Index of Consumer Prices of food.	excluding	energy a	nd unpro	cessed					

^{2/} Floating or up-to-one-year fixed rate for new loans to non-financial corporations over 1 million euros.

"NATIONAL ECONOMY" is based on IMF Executive Board Concludes 2022 Article IV Consultation with the Republic of Slovenia January 18, 2023.

FOREIGN TRADE

Slovenia's total exports in 2016 were of the order of US\$ 27,658 million. It increased to US\$ 37,345 million in 2020. Exports during the period from 2016 to 2020, in terms of percentage, grew highest (15.32%) in 2017 and fell maximum (-0.53%) in 2020 in comparison with 2016 and 2019 respectively. The annual average compound growth rate worked out at 7.90%.

Imports, on the other hand, were of the order of US\$ 36,354 million in 2020 while in 2016 it was US\$ 26,695 million. Imports during the period from 2016 to 2020, in terms of percentage, grew highest (16.70%) in 2017 and fell maximum (-3.25%) in 2020 as compared to 2016 and 2019 respectively. The annual average compound growth rate worked out at 8.03%.

Volume of trade registered an annual average (compound) rate of growth of 7.91% from US\$ 54,353 million in 2016 to US\$ 73,699 million in 2020.

The Slovenia faced a deficit balance of trade during the said period.

The Slovenia's export and import, volume and balance of trade between 2016 and 2020 along with their growth rates are given in **Table-I.**

Major exports of Slovenia are included road vehicles and parts, furniture, refrigerators and freezers, medicinal and pharmaceutical products, paper, paperboard and articles thereof, textile yarn, iron and steel etc. and principal import commodities were road vehicles, electrical machinery, industrial machinery, petroleum and petroleum products, iron and steel, power-generating machinery and equipment, clothing and accessories etc.

^{3/} For household time deposits with maturity up to one year.

Principal trading partners of Slovenia are Austria, Belgium, Bosnia and Herzegovina, China PR, Croatia, Czech Republic, France, Germany, Hungary, Italy, Japan, Korea Republic, Netherlands, Poland, Russia, Slovakia, Spain, Sweden, Switzerland, UK and USA etc.

There are three international airports in Slovenia, at Brnik (Ljubljana), Maribor and Portoroz. The national carrier, Adria Airways, has flights to most major European cities and Tel Aviv.

Slovenia's principal international trading port, at Koper, handles some 6m. tons of freight annually, and has terminals for general, bulk and liquid cargo, containers and 'roll on, roll off traffic, as well as warehousing facilities. The port is a duty-free zone. There are also major ports at Portoroz and Izola.

BILATERAL TRADE WITH INDIA

Indo-Slovenia bilateral trade in 2018-19 was of the order of Rs. 3,959.67 crores. It increased to Rs.7,316.27 crores in 2022-23. The annual compound growth rate of volume of trade during the period from 2018-19 to 2022-23 was 16.59%. India enjoyed a surplus balance of trade during the year 2018-19 and 2022-23 of the said period (see table II). The average annual compound growth rates of exports and imports worked out at 22.06% and 8.59% respectively.

India's exports to, and imports from Slovenia of Merchandised Goods during the period from 2018-19 to 2022-23 along with their growth rates are presented in **Table II.**

India's top ten merchandise goods exported to and imported from Slovenia during the said period, along with their growth rates are depicted in **Table III & IV** respectively.

SOME IMPORTANT LINKS

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Email: vnd@gov.si Website URL:

http://newdelhi.embassy.si/en

Names and addresses of the organizations engaged in foreign trade in Slovenia are:-

Slovenian Trade and Investment Promotion Agency (TIPO), Kotnikova 28 1000 LJUBLJANA

Tel : (003861) 4783557 Fax : (003861) 4783599

Email: tipo@gov.si

Url: http://www.investslovenia.org

Chamber of Commerce and Industry of Slovenia (CCIS)

Dimiceva 13 1504 LJUBLJANA

Tel : (003861) 5898000 Fax : (003861) 5898100 Emain : <u>infolink@gzs.si</u> Url : <u>http://www.gzs.si</u>

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1000 LJUBLJANA

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URL: http://www.tradepoint.si

Source: The Statesman Year Book, the Europa World Year Book,
Monthly Bulletin on Statistics UN Publication, imf.org, worldbank.org,
BBC News, the World Fact Book, World Development Indicator,
Ministry of Commerce & Industry, MEA,
wikipedia.org, expresstextile.com
and D.G.C.I & S etc.

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Kolkata – 700 107

			TABLE - I				
	SLO	VENIA'S TOTAL	EXPORTS AND	IMPORTS, VOLU	JME AND BALA	NCE OF TRADE	
			BETWEEN 20	16 TO 2020.			
					(Figures in US MILL		
Year	Exports	Percentage	Import	Percentage	Volume	Percentage	Balance
		Growth in		Growth in	of	Growth in	of
		Exports		Imports	Trade	Vol. of Trade	Trade
2016	27,658		26,695		<i>54,353</i>		963
2017	31,894	15.32	<i>31,154</i>	16.70	<i>63,048</i>	16.00	<i>740</i>
2018	<i>36,488</i>	14.40	36,273	<i>16.43</i>	72,761	<i>15.41</i>	215
2019	<i>37,543</i>	2.89	37,575	3.59	75,118	3.24	-32
2020	<i>37,345</i>	-0.53	<i>36,354</i>	-3.25	73,699	-1.89	991
Annual							
Compound							
Growth Rate	FALSE		8.03		7.91		
NOTE :	Figures rela	te to calendar year	, January to Dece	ember.			
SOURCE :	UN COMTRAD	E PUBLICATION					

			TABLE - II				
	'	INDIA'S EXPOR	T TO AND IMPORT	FROM SLOVENIA	OF MERCHANDI	SE	
		GOO	DDS DURING 2018-20	19 TO 2022-2023			
					(Value in Rs. CR	ORES)	
Year	Exports	Percentage	Import	Percentage	Volume	Percentage	Balance
		Growth in		Growth in	of	Growth in	of
		Exports		Imports	Trade	Vol. of Trade	Trade
2018-19	2215.58		1744.09		3959.67		471.49
2019-20	2369.89	6.96	1764.44	1.17	4134.33	4.41	605.45
2020-21	2632.79	11.09	2014.10	14.15	4646.89	12.40	618.69
2021-22	3706.02	40.76	2260.20	12.22	5966.22	28.39	1445.82
2022-23	4917.97	32.70	2398.30	6.11	7316.27	22.63	2519.67
Annual							
Compound							
Growth Rate	22.06		8.29		16.59		
NOTE :	Figures relate to Fi	nancial Year April t	o March.				
SOURCE : D	Directorate General o	of Commercial Intel	ligence & Statistics,				
	Ministry of Cor	mmerce & Industry	, Kolkata 700 107.				

			TABLE -III							
			JOR MERCH					/	000000	
			2022-2023			IRAIES	_	(Value in R		
SI. No.	Name of the Merchandise Commodities	-	T		of Exports	T		Annual Grov		
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over	20-21 over		22-23 over
1	Drugs, Pharmaceuticals & Fine Chems.	460.63	483.23	515.33	453.76	734.52	2018-19 4.91	2019-20 6.64	2020-21 -11.95	2021-22 61.87
		-		-	+	14.94	4.31	0.04	-11.95	01.07
	Share in total export	20.79	20.39	19.57	12.24		74.00	7.07	40.40	40.05
2	Residual Chemicala And Alld. Prods.	252.94	442.28	408.36	475.45	562.20	74.86	-7.67	16.43	18.25
	Share in total export	11.42	18.66	15.51	12.83	11.43				100 50
3	RMG Cotton Including Accessories	61.71	26.16	24.62	154.87	323.00	-57.61	-5.89	529.04	108.56
	Share in total export	2.79	1.10	0.94	4.18	6.57				<u> </u>
4	Electric Machinery And Equipments	68.85	96.15	250.08	232.50	293.41	39.65	160.09	-7.03	26.20
	Share in total export	3.11	4.06	9.50	6.27	5.97				
5	Auto Components/Parts	46.34	107.52	172.31	233.42	273.71	132.02	60.26	35.47	17.26
	Share in total export	2.09	4.54	6.54	6.30	5.57				
6	Footwear Of Leather	38.50	36.54	26.25	74.75	247.43	-5.09	-28.16	184.76	231.01
	Share in total export	1.74	1.54	1.00	2.02	5.03				
7	Organic Chemicals	110.99	132.96	161.76	198.05	219.36	19.79	21.66	22.43	10.76
	Share in total export	5.01	5.61	6.14	5.34	4.46				
8	Iron And Steel	82.60	71.52	111.47	187.15	198.41	-13.41	55.86	67.89	6.02
	Share in total export	3.73	3.02	4.23	5.05	4.03				
9	RMG Of Other Textl. Materials	8.31	4.33	13.10	80.71	162.02	-47.89	202.54	516.11	100.74
	Share in total export	0.38	0.18	0.50	2.18	3.29				
10	Plastic Raw Materials	43.30	17.13	15.00	82.74	150.98	-60.44	-12.43	451.60	82.48
	Share in total export	1.95	0.72	0.57	2.23	3.07				
	Total export to SLOVENIA	2215.58	2369.89	2632.79	3706.02	4917.97	6.96	11.09	40.76	32.70
	NOTE: Figures relate to Financial Year	r, April to M	arch.							
	SOURCE: Directorate General of Comr	•		tatistics. Mi	nistry of Co	mmerce &	Industry, Kolk	ata : 700 10	7.	

			TABLE	E-IV						
	INDIA'S MAJ	OR MERC	CHANDIS	E IMPORT	FROM SL	OVENIA				
	20	18-2019 TC	2022-202	23 AND TH	EIR GROW	TH RATES		(Value in	Rs. CRORE	S)
SI. No.	Name of the Merchandise Commodities	Name of the Merchandise Commodities Value of Imports						Annual Gro		
		2018-19	2019-20	2020-21	2021-22	2022-23	19-20 over	20-21 over	21-22 over	22-23 over
							2018-19	2019-20	2020-21	2021-22
1	Bulk Drugs, Drugs Intermediates	178.26	251.51	442.56	388.99	354.16	41.09	75.96	-12.10	-8.95
	Share in total imports	10.22	14.25	21.97	17.21	14.77				
2	Indl. Machinery For Dairy Etc.	159.72	200.19	258.34	262.94	339.39	25.34	29.05	1.78	29.08
	Share in total imports	9.16	11.35	12.83	11.63	14.15				
3	Paper, Paper Board And Products	47.04	77.90	100.48	125.78	243.05	65.60	28.99	25.18	93.23
	Share in total imports.	2.70	4.41	4.99	5.56	10.13				
4	Iron & Steel	290.18	234.59	170.25	190.90	162.21	-19.16	-27.43	12.13	-15.03
	Share in total import	16.64	13.30	8.45	8.45	6.76				
5	Electri Machinery And Equipments	119.20	100.41	78.74	146.35	147.51	-15.76	-21.58	85.86	0.79
	Share in total import	6.83	5.69	3.91	6.48	6.15				
6	Auto Components/Parts	34.46	25.21	22.90	164.74	99.78	-26.84	-9.16	619.39	-39.43
	Share in total import	1.98	1.43	1.14	7.29	4.16				
7	Medical And Scientific Instruments	51.73	28.55	78.89	35.59	81.63	-44.81	176.32	-54.89	129.36
	Share in total import	2.97	1.62	3.92	1.57	3.40				
8	Residual Chemicals And Ald. Prods.	141.67	68.12	52.14	111.93	77.89	-51.92	-23.46	114.67	-30.41
	Share in total import	8.12	3.86	2.59	4.95	3.25				
9	AC, Refrigeration Machinery Etc.	50.01	35.04	30.30	23.41	77.23	-29.93	-13.53	-22.74	229.90
	Share in total import	2.87	1.99	1.50	1.04	3.22				
10	Products Of Iron And Steel	64.89	71.90	62.08	79.70	70.63	10.80	-13.66	28.38	-11.38
	Share in total import	3.72	4.07	3.08	3.53	2.95				
	Total import from SLOVENIA	1744.09	1764.44	2014.10	2260.20	2398.30	1.17	14.15	12.22	6.11
	NOTE : Figures relate to Financial Year	, April to M	arch.							
	SOURCE : Directorate General of Comme	rcial Intellig	ence & Sta	atistics, Mini	stry of Comi	merce & Indu	stry, Kolkata	700 107.		