SLOVENIA

Although Slovenia moved out of recession already in the second quarter of 2009, the precipitous decline in the previous two quarters was severe enough to give a year-on-year output fall in 2009 of close to 8%. A mild rebound has been occurring and is expected to continue through 2010, driven by external demand, before growth strengthens further in 2011 on the back of stronger investment. Inflation should remain moderate due to the negative output gap and high unemployment.

Following the strong 2009 fiscal stimulus, the fiscal stance is set to tighten in 2010 and 2011 given the need for consolidation. A new pension reform should bolster fiscal consolidation while labour market reforms to increase flexibility should help speed up employment recovery.

Slovenia: **Demand, output and prices**

	2006	2007	2008	2009	2010	2011
	Current prices € billion	Percentage changes, volume (2000 prices)				
Private consumption	16.4	5.1	1.9	-1.7	-0.2	2.6
Government consumption	5.8	2.5	3.6	3.4	1.5	3.5
Gross fixed capital formation	8.1	12.8	5.6	-24.9	-0.4	4.0
Final domestic demand	30.4	6.6	3.3	-7.4	0.1	3.1
Stockbuilding[1]	0.7	1.8	0.4	-3.8	0.5	0.0
Total domestic demand	31.1	8.0	3.7	-11.5	0.6	3.1
Exports of goods and services	20.8	14.1	2.7	-18.1	5.5	5.3
Imports of goods and services	20.8	15.9	3.1	-21.0	1.4	5.8
Net exports[1]	0.0	-1.2	-0.3	2.6	2.4	0.0
GDP at market prices	31.1	6.8	3.4	-7.9	2.7	3.0
GDP deflator	_	4.2	3.7	3.2	0.5	2.4
Memorandum items						
Harmonised index of consumer prices	_	3.8	5.5	0.7	1.1	2.7
Private consumption deflator	_	4.1	6.7	-0.6	1.2	2.4
General government financial balance[2]	_	0.0	-1.8	-7.7	-5.5	-3.0

Note: National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook* Sources and Methods *(http://www.oecd.org/eco/sources-and-methods).*

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.
2. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

OECD Economic Outlook is published twice a year and analyses the major trends and the economic policies required to foster high and sustainable growth in member countries**.** *Released 19 November 2009.* Available at www.oecd.org/oecdeconomicoutlook.