Responding to the Coronavirus Crisis
Update on Slovenia (06/04/20)

Key short-term priorities
Provide liquidity to the economy, particularly SMEs; revenue support to vulnerable workers and other individuals; secure critical supply chains.

EBRD Policy Comparator

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Economic channels of disruption
Goods exports, private consumption, tourism
- Goods exports (82% of GDP) will significantly fall amid global slowdown, high integration in global value chains (55% of GDP), and exposure to Italy (destination for 10% of goods exports).
- Containment measures will hit domestic consumption, especially social categories and durables (44% of total consumption, of which transport spending accounts for 17% and spending on recreation an additional 17% of total consumption), and industrial production to some extent.
- Tourism accounts for about 7% of GDP, and will likely be another major channel of disruption.

Crisis response measures to date
Support for healthcare, firms, and (vulnerable) individuals
- Guarantees and credit lines for affected firms, particularly SMEs.
- Public salary rises based on performance in key areas (healthcare, security).
- Corporate and income tax deferrals for up to 24 months and deferrals of bank loan repayments for up to 12 months.
- Wage subsidies for suspended workers, temporary basic income for the self-employed and allowances for pensioners, large families and students.
- Financing of all social contributions for firms continuing operation and co-financing 20% of employees' wages.
- Electricity prices decreased by about 20% for the next three months.
- Additional funding available from state-owned bank (2¾% of GDP).
- As a Eurozone member, Slovenia will benefit from ECB measures to combat the crisis, including the needed liquidity and financial stability to the economy.

Selected crisis impact indicators
**EBRD GDP growth outlook (April 2020)** 2020: recession 2021: strong recovery
[new forecasts out on May 13 2020] 2021: strong recovery

**Economic sentiment** (March 2020): ESI 94.0 (down 10.2 points m/m)

**Industry sentiment** (March 2020) -8.4 (ESI) (down 7.6 points m/m)

**SBITOP** (April 01 2020) 716.6 (down 22% since January 03)

**Unemployment rate** (March 2020) 4.1% (up 1.7% y/y and 0.5% m/m)

Selected crisis response indicators
**Crisis response package (% of GDP)** ca. 6%
70% of net minimum wage for self-employed, 80% for technical unemployment (40% public financing), and 50% wage compensation for parents staying at home

**Amount of normal salary covered (% of salary)**

**Payment holidays for taxes** up to 24 months

**Payment holidays for loans** up to 12 months

**Committed external assistance** EUR 586 million (EU CRII)