Responding to the Coronavirus Crisis
Update on Slovenia (23/11/20)

EBRD Policy Comparator

<table>
<thead>
<tr>
<th>Financial Sector</th>
<th>Direct support to firms</th>
<th>Payment holidays</th>
<th>Temporary controls</th>
<th>Support to individuals</th>
<th>Increased social benefits</th>
<th>Health</th>
<th>External Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy rate</td>
<td>Liquidity increased</td>
<td>Prudential req. loosened</td>
<td>Wage subsides</td>
<td>Tax/ social cont. deferred</td>
<td>Loan subsides</td>
<td>Guarantees</td>
<td>Inspectors/ audits suspended</td>
</tr>
<tr>
<td></td>
<td>Policy rate reduced</td>
<td>Liquidity increased</td>
<td>Prudential req. loosened</td>
<td>Wage subsides</td>
<td>Tax/ social cont. deferred</td>
<td>Loan subsides</td>
<td>Guarantees</td>
</tr>
</tbody>
</table>

**Economic channels of disruption**

**Goods exports, private consumption, tourism**

- Slovenia has been severely affected in the first half of 2020 in the EU in terms of GDP decline (-7.7% y/y in H1), reflecting a broad-based impact on the economy.
- Goods exports (82% of GDP) dropped by almost 12% amid Eurozone recession, high integration in global value chains (55% of GDP), and exposure to Italy (10% of goods exports).
- Containment measures have hit private consumption, especially social categories and durables (44% of total consumption or about 30% of GDP). A partial lockdown imposed in October amid a high second wave of infections will exacerbate the impact on already affected sectors.
- Tourism accounts for about 7% of GDP, estimated to contract by 70% this year, it will be another major channel of disruption.

**Selected crisis impact indicators**

- EBRD GDP growth outlook (Sep 2020): 2020: -7.5%; 2021: 3.5%
- GDP growth y/y, sa (Q1/Q2 2020): -3.5% y/y, -13.1% y/y
- Economic sentiment (ESI) (October 2020): 90.3 (92.7 in August and 66.2 in April)
- Retail sales (Sep/Aug/Apr 2020): -10.6% y/y, -11.5% y/y, -25.9% y/y
- Industrial output (Sep/Aug/Apr 2020): -3.5% y/y, -1.5% y/y, -24.4% y/y
- Unemployment rate (Sep/Apr 2020): 4.7%, 5.4%
- CPI inflation (May 2020): -0.3% y/y

**Crisis response measures to date**

**Support for healthcare, firms, and (vulnerable) individuals**

- Credit guarantees worth EUR 2 bn (4% of GDP), with loans to SMEs to be guaranteed for up to 80%, and up to 70% for large companies.
- Public salary increases 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 temporary workers and unemployed, temporary basic income (EUR 700 in April and May) for the self-employed and allowances for vulnerable categories.
- Co-financing 20% of wages and full compensation of social contributions for firms continuing operation. Scheme covering fixed costs (e.g. rent) has been introduced.
- Additional funding available from state-owned bank (2¾% of GDP).
- A package adopted in May focused on stimulating recovery through subsidised short work week, loans and vouchers for tourism of EUR 200 per adult (2.2% GDP); two packages in September and November (the 6th announced stimulus) worth EUR 1 bn each extended key stimulus measures until the end of 2020.

**Selected crisis response indicators**

- Crisis response package (% of GDP): ca. 14% of GDP
- Amount of normal salary covered (% of salary): 70% of net min. wage for self-employed, 80% for technical unemployment, 50% for parents at home
- Payment holidays for taxes: Up to 24 months
- Payment holidays for loans: Up to 12 months
- Committed external assistance: EUR 10.5 bn in the next EU budget

**Key short-term priorities**

Provide liquidity to the economy, particularly SMEs; revenue support to vulnerable individuals; secure critical supply chains

To learn more about EBRD’s support to Slovenia visit: [https://www.ebrd.com/slovenia.html](https://www.ebrd.com/slovenia.html)

Media enquires: Axel Reiserer, axel.reiserer@ebrd.com