Embassy of India
Ljubljana
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Subject: Annual Economic Report [FY 2024-25]

I. Overview of Slovenian Economy

In the first quarter of 2024, gross domestic product (GDP) grew by 2.1% over the same period in 2023. However, a slowdown followed in the second quarter, with GDP increasing by just 0.7% annually and 1.4% from January to June 2024 compared to the same period in 2023. External demand improved in the third quarter, resulting in GDP growth of 1.4% annually and from January to September. The year closed with GDP growth of 1.6% in 2024, driven by a 1.5% annual increase in the fourth quarter. In the first quarter of 2025, GDP shrank by 0.7% compared to the same period in 2024, with imports growing by 1.9% and exports remaining flat. A negative external trade balance impacted GDP growth by -1.4 percentage points.

Consumer Prices and Inflation

Consumer prices rose by 1.9% annually, with a 2.0% average annual price growth. Service prices increased by 2.7%, while goods prices grew by 1.4%. Non-durable and semi-durable goods prices increased by 1.9% and 2.0%, respectively, while durable goods became 0.8% cheaper. The largest contributors to annual inflation included higher food and non-alcoholic beverage prices (+2.6%), restaurants and hotels (+4.1%), and alcoholic beverages and tobacco (+3.6%). Lower prices in housing, water, electricity, gas, and other fuels (-1.3%) partially countered inflationary pressures. In early 2025, service producer prices rose by 1.3%, led by increases in professional and technical activities (+2.6%) and transportation and storage (+2.1%).

Producer Prices and Agricultural Inputs

Producer prices in 2024 fell by 0.9%, driven by decreases in electricity (-14.6%), basic metals (-4.5%), and chemicals (-2.2%). Conversely, prices rose in petroleum products (+7.1%) and beverages (+5.6%). Agricultural input prices grew by 1.7% in 2024, marking the first increase since April 2023, mainly due to higher seed crop prices (+16.9%) and moderate growth in investment inputs (+1.6%). By Q1 2025, agricultural input prices increased by 2.4% compared to Q4 2024.

Employment Trends (2024)

In 2024, Slovenia had 998,000 employed persons (+0.9% year-over-year), the highest in the last decade, and the unemployment rate remained stable at 3.7%. Foreign nationals continued driving employment growth, accounting for 15.8% of the workforce by mid-year, especially in construction (50%), transportation and storage (34%), and administrative support (28%).
[Source: The Statistical Office of the Republic of Slovenia]

II. Macroeconomic Challenges

Following a robust recovery from the pandemic, economic growth has slowed amid weaker private consumption and foreign demand. The labour market remains tight, although employment growth is weakening, notably in manufacturing. A high number of job

vacancies points to widespread labour shortages, leading to strong nominal wage growth. At the same time, real wage growth outpaced labour productivity and is weakening external competitiveness, adding to the challenges facing the export sector. Inflation has peaked but remains higher than in the euro area. While energy prices have fallen, services inflation remains elevated, mainly driven by strong wage growth. Growth is projected to pick up gradually.

Fiscal consolidation is needed to support disinflation and rebuild fiscal space to address emerging pressures. Ageing-related costs, notably on pensions, will increase sharply and need to be addressed. The minimum retirement age and the minimum contribution period required for a full pension need to be increased. Greenhouse gas emissions are in general low but have not been reduced over the past decade. Emissions in the transport sector have increased, while agricultural emissions have remained unchanged. In addition, power generation accounts for a relatively large share of emissions due to the expansion of coal power since 2015. More action is needed across all sectors, but particularly in agriculture, energy and transport, to achieve the net-zero target by 2050.
[Source: OECD Economic Surveys]

III. Slovenia External

In FY 24-25, Slovenia exported EUR 73.3 billion of goods to the World or 2.1% more than in the previous FY year and imported from the World EUR 76.8 billion or 1.9% more.

The most important group of products was chemicals and related products. Their value was 45.6% of total value of exports and 49.5% of total value of imports. The value of chemicals and related products doubled compared to a year earlier. They were followed by products from the groups machinery and transport equipment (24.3% of exports and 19.3% of imports), manufactured goods classified chiefly by material (12.7% of exports and 10.3% of imports), miscellaneous manufactured articles (6.8% of exports and 5.8% of imports) and mineral fuels, lubricants and related materials (4.7% of exports and 6.9% of imports).

Slovenia’s most important export markets in 2024 were Switzerland (33.7%), Germany (11.8%), Croatia (7.6%), Italy (7.2%), and Austria (4.3%). In the same period, Slovenia imported the most in terms of value from Switzerland (23.4%), Germany (10.5%), China (10.1%), India (8.6%) and Italy (8.3%). Compared to the same period of last year, exports to Switzerland and imports from India grew the most.

In the first quarter of 2025, the value of exports amounted to EUR 21.5 billion, which was 48.4% higher than in the same period a year ago, while the value of imports went up by 15.2% to EUR 18.3 billion. The export-import ratio was 117.4% and a trade surplus of EUR 3.2 billion was generated. This was the first quarter with a positive trade balance after 15 consecutive quarters with a negative trade balance. The most important product group was chemicals and related products - Slovenia exported EUR 13.2 billion and imported EUR 9.6 billion worth of them.
[Source: The Statistical Office of the Republic of Slovenia]

Table 1. Trade of Slovenia with the world

Unit: USD Billion	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Import of Slovenia from the world	37.92	53.23	60.68	63.35	76.82
Export of Slovenia to the world	39.16	48.03	57.96	59.87	73.32
Total trade	77.08	101.21	118.63	123.22	150.14

[Source: Statistical Office of the Republic of Slovenia]

IV. Prospects for Slovenian Economy

Indicators	2025	2026
GDP growth (%, yoy)	2.5	2.6
Inflation (%, yoy)	3.2	2.1
Unemployment (%)	3.6	3.6
General government balance (% of GDP)	-2.1	-2.1
Gross public debt (% of GDP)	64.4	63.1
Current account balance (% of GDP)	2.9	2.6

[Source: European Commission]

Private consumption is expected to continue to support economic growth on the basis of high employment, growth in real incomes and a gradual improvement in confidence. Government investment will strengthen in 2025 and 2026, in reflection of the intensified utilization of Next Generation EU funds. Amid the anticipated recovery in economic activity of the main trading partners, stronger export demand is expected, which will encourage growth in private investment. The latter will also be supported by the improved financing conditions amid less restrictive monetary policy.

[Source: Banka Slovenije projections]

Spring forecast (February 2025)	2024	2025	2026	2027
GDP, real growth in %	1.6	2.1	2.4	2.3
GDP, nominal growth in %	4.7	4.9	5.2	4.8
GDP in EUR billion, current prices	67.0	70.3	73.9	77.5
Exports of goods and services, real growth in %	3.2	2.6	3.4	3.1
Imports of goods and services, real growth in %	3.9	2.7	3.9	3.5
Private consumption, real growth in %	1.6	2.2	2.3	2.4
Government consumption, real growth in %	8.5	2.7	4.1	2.2

Inflation (Dec./Dec.), in %	1.9	2.7	2.2	2.1
Inflation (annual average), in %	2.0	2.3	2.3	2.1

[Source: Institute of Macroeconomic Analysis and Development, Slovenia]

V. India-Slovenia Trade Relations

Table. 2 Bilateral Trade with Slovenia in the period of 2020-2024 (Unit: USD Million)

Bilateral Trade	2020-21	2021-22	2022-23	2023-24	2024-25
India's export to Slovenia	354.78	494.42	610.88	586.98	586.04
India's import from Slovenia	271.78	303.23	297.85	308.25	262.09
Total trade	**626.56**	**797.65**	**908.73**	**895.23**	**848.13**
Balance of trade in India's favour	83.0	191.19	313.03	278.73	323.95

[Source: Department of Commerce, Ministry of Commerce and Industry, Government of India]

Table. 3 Top 5 Commodities, exported to Slovenia (Unit: USD Million)

S.No.	HS Code	Commodity	2024 -2025 (Apr-Mar)	% Growth (Apr-Mar-24/Apr-Mar-25)
1.	30	Pharmaceutical products	110.09	9.12
2.	93	Arms and ammunition; parts and accessories thereof	79.46	380.40
3.	29	Organic chemicals	86.38	-14.48
4.	40	Rubber and articles thereof	48.74	70.05
5.	87	Vehicles other than railway or tramway rolling stock	28.92	-28.08

[Source: Department of Commerce, Ministry of Commerce and Industry, Government of India]

Table. 4 Top 5 Commodities, imported from Slovenia (Unit: USD Million)

S.No.	HS Code	Commodity	2024-2025 (Apr -Mar)	% Growth (Apr-Mar-24/Apr-Mar-25)
1.	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	61.84	-23.41
2.	29	Organic chemicals	43.06	6.91
3.	48	Paper and paperboard	26.72	17.44
4.	72	Iron and steel	18.48	47.05
5.	85	Electrical machinery and equipment and parts thereof	17.07	-45.14

[Source: Department of Commerce, Ministry of Commerce and Industry, Government of India]

VI. Commercial Publicity & Promotion of India Trade

Embassy regularly disseminated information on India's trade fairs, exhibitions, B2B events and tenders on the Mission's social platforms.

VII. Visit of Trade Delegations

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VIII. Economic Implication of Ukraine-Russia conflict on Slovenia

Since the beginning of the Russia - Ukraine conflict, the value of Slovenia's trade with Russia decreased. In the FY 2024-2025 the value of imports from Russia decreased due to imposed sanctions. Slovenia's trade with Ukraine has increased since the beginning of the conflict, which is mainly attributable to greater imports of agricultural products (corn and wheat).

Table 6. Bilateral trade between Slovenia and Russian Federation (Unit: USD Million)

Bilateral Trade	2020-21	2021-22	2022-23	2023-24	2024-25
Slovenia's export to Russia	1,014.94	1,021.45	1,376.81	1,051.02	1,297.96
Slovenia's import from Russia	337.55	487.82	1,241.57	120.73	107.71
Total trade	**1,352.49**	**1,509.27**	**2,618.37**	**1,171.76**	**1,405.67**
Balance of trade in Slovenia's favour	677.38	533.63	135.24	930.29	1,190.25

[Source: Statistical Office of the Republic of Slovenia]

Table 7. Bilateral trade between Slovenia and Ukraine (Unit: USD Million)

Bilateral Trade	2020-21	2021-22	2022-23	2023-24	2024-25
Slovenia's export to Ukraine	243.81	278.93	252.48	290.06	271.65
Slovenia's import from Ukraine	53.83	86.06	67.89	81.53	50.17
Total trade	**297.64**	**364.98**	**320.37**	**371.60**	**321.82**
Balance of trade in Slovenia's favour	189.97	192.87	184.59	208.53	221.48

[Source: Statistical Office of the Republic of Slovenia]

IX. Trade Related Meetings attended by Ambassador

1. On 11th September 2024, Delo Media House, in collaboration with the Chamber of Commerce of Slovenia (CCS), organized a conference at the CCS headquarters to explore opportunities for Slovenian businesses in the Indian market and to address broader challenges in Slovenia's export-oriented economy.

Ambassador Namrata S. Kumar highlighted the robust political ties between India and Slovenia, strengthened by high-level visits, including Indian President's visit in 2019 and Foreign Minister's visit in 2021. These initiatives have contributed to bilateral trade exceeding USD 800 million over the past five years. Ambassador stressed the importance of collaboration in science, technology, innovation, and infrastructure, with the space sector identified as a key area for future cooperation. She also noted the significant growth of Indian community in Slovenia, which increased fivefold in five years, from 200 to 1,000 persons. Furthermore, she projected India's enormous economic potential, predicting the emergence of a 25-million-strong middle class within five years and its rise to become the world's third-largest economy by 2030.

The conference underscored the vast opportunities for Slovenian businesses in the growing Indian market while emphasizing the need for strengthened ties in strategic sectors.

2. On 13th and 14th November 2024, CoGreen d.o.o., in collaboration with the Faculty of Civil and Geodetic Engineering UL and ZAG (Zavod za Gradbeništvo Slovenija), hosted the 1st International Hemp2Curb Carbon Conference. The event focused on the innovative use of hemp as a sustainable building material in the construction sector.

During the conference, Ambassador Mrs. Namrata S. Kumar mentioned India's historical and contemporary relationship with hemp. She highlighted its deep cultural significance, as documented in India's ancient Veda texts, where the plant was considered sacred and used in rituals. Over time, hemp's importance diminished, but India has recently re-embraced its use for industrial and medicinal purposes. Indian states in the Himalayas region (Uttarakhand and Himachal Pradesh) are now cultivating hemp at a large scale with significant government support for research and development.

The conference showcased hemp's versatility and underlined its role in advancing sustainability within the construction industrial for producing eco-friendly local products, positioning it as a key resource in sustainable innovation.

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