
IMF URGES SLOVENIA TO CONTINUE WITH REFORMS

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Slovenia should continue its structural reforms to ensure long-term prosperity, reduce the administrative burden on the economy and boost investment and growth, the International Monetary Fund said.

In a report on Slovenia, issued on Monday, it also urged the country to increase labour market flexibility, reform the tax system and speed up privatisation.

Accelerating the privatisation programme would inject capital and technological know-how that would benefit the broader economy, the IMF said.

It said Slovenias near-term growth prospects are good, keeping its earlier forecast of a 3.4 percent economic growth in 2019, compared with 4.5 percent in 2018, but added that a rapidly ageing population will make the medium-term outlook less favourable.

IMF sees Slovenias economy expanding 2.8 percent in 2020, projecting export growth at 5.5 percent that year, down from 6.3 percent in 2019.

Major risks (to Slovenias economy) include trade protectionism, uncertainty in Europe and weaker-than-expected global demand, it said.

The government plans to sell the countrys third-largest bank, Abanka, by the middle of 2019 and also sell a further 10 percent of the largest bank, NLB, by the end of this year. It sold 65 percent of NLB in November.

No other major privatisations are planned so far.

<https://www.reuters.com/article/imf-slovenia/imf-urges-slovenia-to-continue-with-reforms-idUSL5N20D3BO>

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