



REPUBLIC OF SLOVENIA  
**FISCAL COUNCIL**

# **Public finance and macroeconomic developments**

January 2019

Prepared by Fiscal Council Analysis Service

Number: 30-1/2019/1

This analysis includes general government public finance trends according to European System of Accounts (ESA 2010) methodology, which is used in the framework of the monitoring of fiscal rules in the EU and are quarterly published by SORS. State budget as well as local budgets, health fund and pension fund trends based on IMF methodology for monitoring government finance statistics (GFS) which are published monthly by the Ministry of Finance are included as well. Based on data available on 7 January 2019.

## Executive summary

Favourable fiscal trends continued last year, but structural indicators, the position in the economic cycle and increased risks point to the need for increased caution in running fiscal policy and the adoption of measures to address long-term challenges. The general government sector recorded a surplus of 0.8% of GDP in the three quarters of 2018 (EUR 259 million) and, per the proposed Draft Budgetary Plan in December, the target surplus for the whole year is the same. The surplus is mainly driven by economic growth, the favourable labour market situation and the related strong increase in the general government revenue, in particular tax revenues. However, the growth in primary expenditure, which does not include interest expenditure, is gradually increasing. The reduction in interest expenditure plays an important role in improving the headline balance, which is reflected in a less pronounced improvement in the primary balance. In view of these developments, the structural primary surplus of the general government sector could have been reduced in 2018. This would imply a cyclical expansionary fiscal policy, which according to the Fiscal Council would be inadequate and mean a missed opportunity for a more sustainable improvement of public finances. In addition, the policies outlined and the measures already taken suggest a further increase in primary expenditure growth in 2019 and subsequently a possible deterioration in the structural balance.

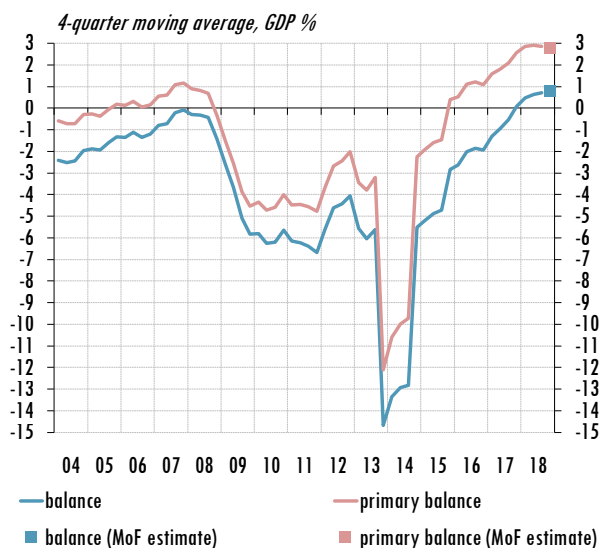
The surplus of the state budget (cash flow methodology) stood at EUR 730 million during eleven months of the last year and will significantly exceed the Ministry of Finance's July estimate regarding the outturn for the entire year. In addition to favourable economic conditions, such trends were largely due to two one-off factors (the disbursement of the European funds from the past financial perspective and the NLB's retained earnings from the previous year). The fact that a large part of the year-on-year improvement is of a one-off nature is, according to the Fiscal Council, necessary to take into consideration in drafting the revised 2019 budget, in particular when designing policies with a permanent impact on the level of expenditure.

The general government debt at the end of the third quarter totalled EUR 32 billion or 71.0% of GDP, which was 8.0 percentage points less than in the same period of the previous year. High economic growth has contributed almost one half to the reduction in the share. A more significant debt reduction continues to be hampered by a high level of interest expenditure, although it declined by a good one-tenth in the past year. Favourable financing conditions (the required return remains low, around 1.0%) and active debt management in recent years have contributed to a reduction in the implicit interest rate on the general government liabilities, which fell below 3.0% in the third quarter.

Economic growth last year remained high, but it slowed down in line with the forecast. On average, real GDP for the three quarters of the last year was up by 4.8% year-on-year and growth remained broad-based. The Fiscal Council estimates that the peak of the economic cycle was achieved at the transition from 2017 to 2018. Risks to an even more significant slow-down in growth in 2019 than the forecast on which the latest budgetary documents are based are increasing. The risks stem, in particular, from uncertainties in the international environment, which may have a significant impact on the economic situation in a small open economy such as Slovenia's.

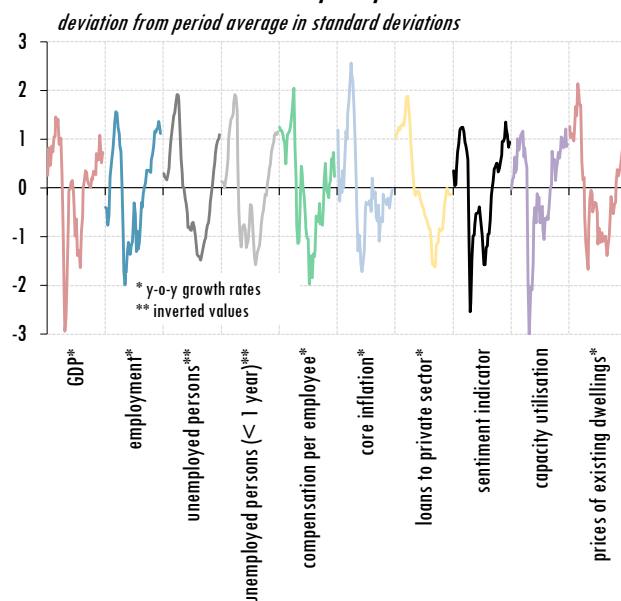
The Fiscal Council is of the opinion that 2019 should be used for drafting and adopting measures that adequately address long-term challenges, in particular in relation to demographic changes, and contribute to a sustainable improvement in public finances and to an increase in economic potential. Fiscal measures may be taken both on the expenditure side, where there are possibilities for streamlining, as well as on the revenue side, where a more efficient tax system should be ensured. With a structural increase in expenditure, in particular regarding labour costs, greater efficiency in the public sector should also be ensured.

**Main aggregates of general government (ESA)**



Source: SORS, MoF (DBP 2019, Dec. 18), FC calculations.

**Indicators of economic cycle dynamics 2005-2018**



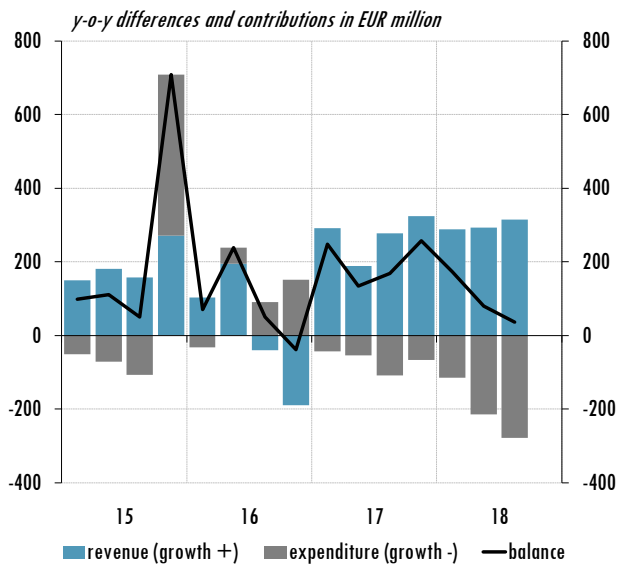
Sources: SORS, ECB, Eurostat, Employment Service of Slovenia, FC calculations.

## Fiscal trends – General government sector

The general government sector recorded a surplus of EUR 259 million or 0.8% of GDP in the first three quarters of 2018, after recording a deficit of EUR 31 million or -0.1% of GDP in the same period of the year before. This surplus is mainly driven by favourable economic conditions and the related further high revenue growth, while expenditure growth is gradually increasing. The proposed December Draft Budgetary Plan foresaw a surplus of 0.8% of GDP in 2018, which is achievable according to the currently available figures. The change in the primary balance over the three quarters of 2018 was less pronounced (by 0.4 percentage points of GDP to 2.8% of GDP), which shows that a decrease in interest expenditure plays an important role in improving the headline fiscal balance. Given such trends throughout the year, the surplus of the structural primary balance in 2018 could have been reduced. This indicates a cyclical expansionary fiscal policy, which, according to the Fiscal Council, is inadequate and a missed opportunity for a more sustainable improvement of public finances.

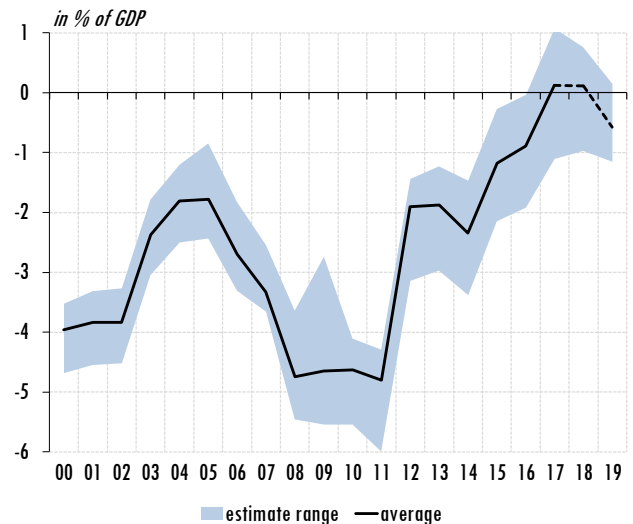
The year-on-year growth in revenues (6.5%) continues due to the high increase in taxes – which further strengthened compared to 2017 – and social contributions, and is linked to favourable labour market conditions and relatively high domestic consumption. By contrast, property income and capital revenues (EU funds) declined compared to the same period the year before. The general government expenditure growth (4.4%) was three-times higher than in the same period the year before and is gradually increasing (6.0% in the third quarter of 2018). Expenditures on compensation of employees and social transfers remain the main contributor to growth, while the increased dynamics of expenditure growth is mainly due to current transfers and expenditure on investment and intermediate consumption. Interest expenditure continues to decrease by more than 10% year-on-year. We estimate that, despite its strengthening, the overall growth in expenditure in year on total will remain within the December projections from the proposed Draft Budgetary Plan, mainly due to lower than expected growth of expenditure on employees and social transfers.

**General government balance (ESA)**



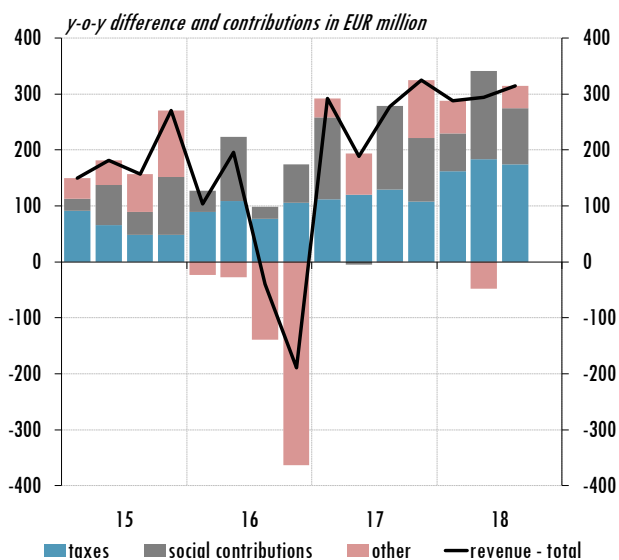
Source: SORS, FC calculations.

**Structural balance estimates**



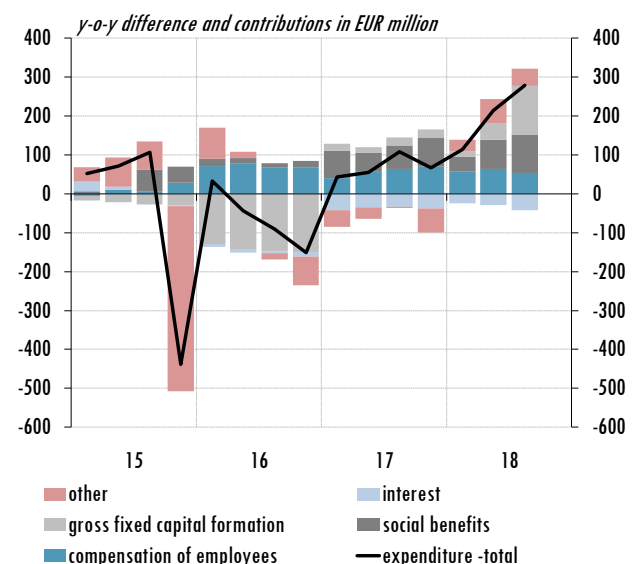
Sources: SORS, OECD, IMF, IMAD, EC, MoF, FC calculations. Note: shaded area represents estimate range based on output gap estimates of various institutions. See also note under Table 4.3 in Assessment of the compliance of the fiscal policy with the fiscal rules based on the draft SP 2018 amendment (FC, April 2018).

**General government revenue (ESA)**



Source: SORS, FC calculations.

**General government expenditure (ESA)**



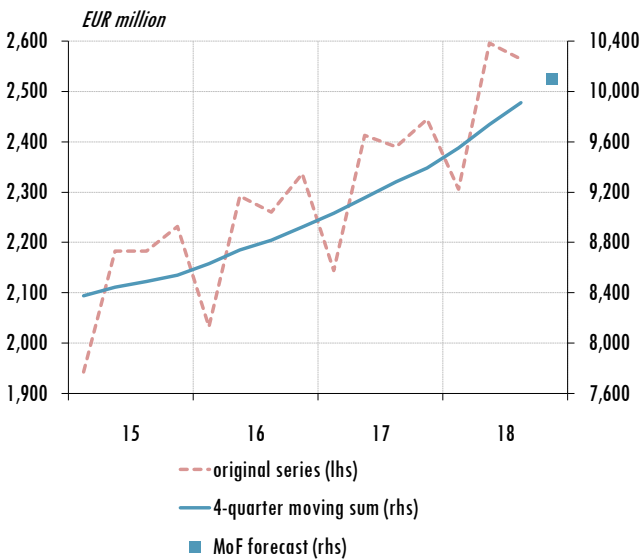
Source: SORS, FC calculations.

## General government revenue

The year-on-year growth in general government revenue (6.5%) in the first three quarters of 2018 was at a similar level as the nominal increase in GDP (7.2%). In our estimate the annual increase will not deviate significantly from the projections in the December Draft Budgetary Plan proposal (6.5%).

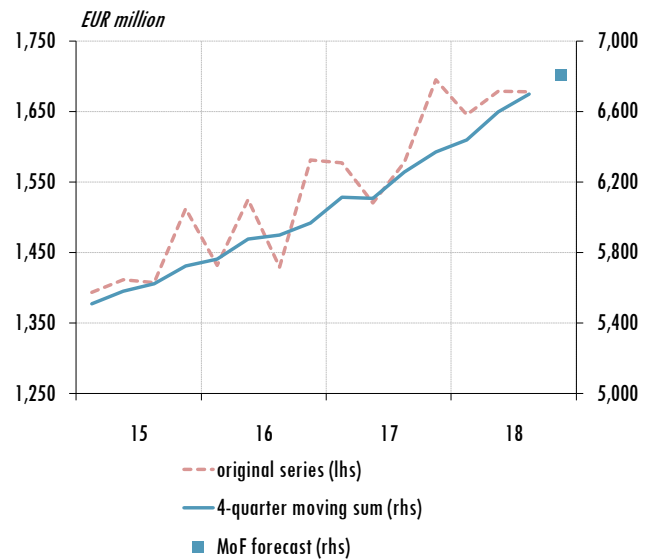
The increase in revenue in the first three quarters of 2018 is principally due to stronger growth in tax revenues (7.5%). A stronger increase was recorded particularly in taxes on individual or household income, which was linked to a stronger increase in the total gross wage bill. VAT revenue growth was higher than in 2017, mainly driven by higher nominal growth in private consumption. The rise in revenues from taxes on income or profits of corporations was also high, but much lower than in 2017, when the level of taxation increased. Growth in social security contributions (7.0%) remained at a similar level to the previous year. Property income decreased year-on-year by one fifth and will fall behind the projections of the proposed Draft Budgetary Plan. Capital revenues are also lower than a year ago, due to continued difficulties in the absorption of EU funds.

### Taxes (ESA)



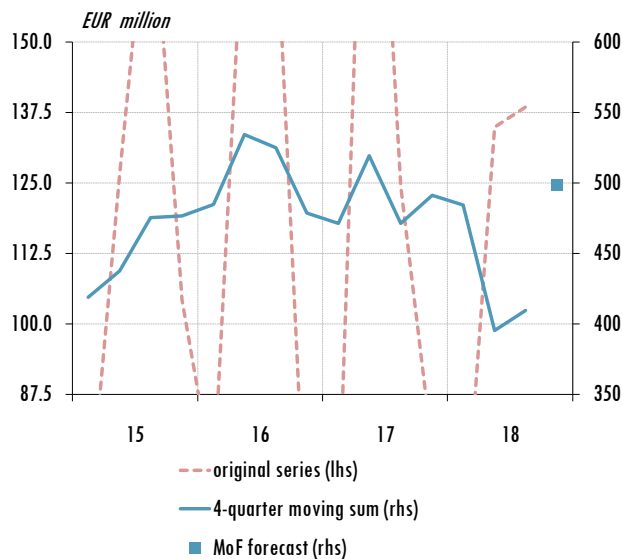
Source: SORS, MoF forecast: DBP 2019 (Dec.18), FC caclulations.

### Social contributions (ESA)



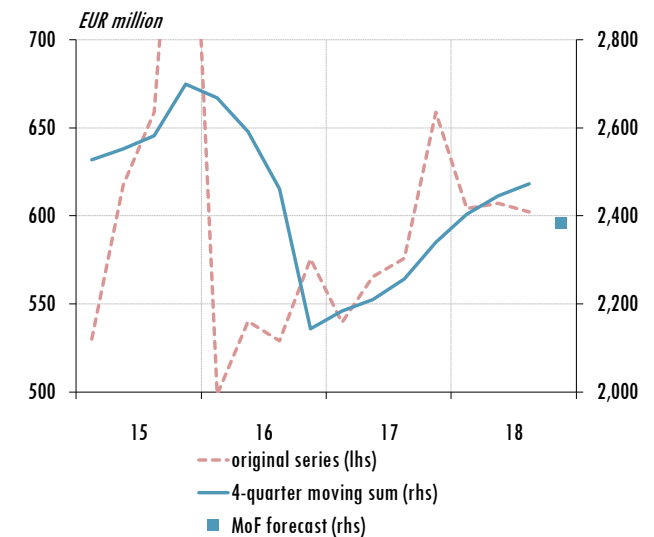
Source: SORS, MoF forecast: DBP 2019 (Dec.18), FC caclulations.

### Property income (ESA)



Source: SORS, MoF forecast: DBP 2019 (Dec.18), FC caclulations.

### Other revenue\* (ESA)



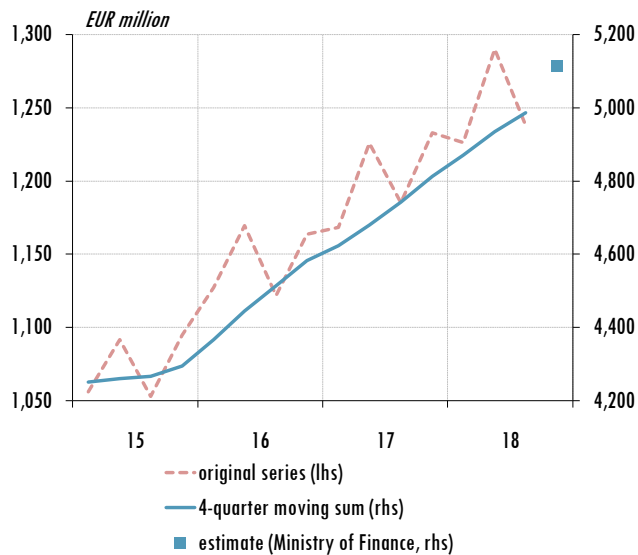
\*excluding taxes, social contributions and property income  
Source: SORS, MoF forecast: DBP 2019 (Dec.18), FC caclulations.

## General government expenditure

In the first three quarters of 2018, year-on-year growth in general government expenditure (4.4%) was significantly higher than in the same period of the previous year (1.5%). Year-on-year growth gradually increased from 2.6% in the first quarter to 6.0% in the third quarter. Nevertheless, we estimate that in the year as total, expenditure increase will be in line with the projections from the December proposal of the Draft Budgetary Plan (4.6%).

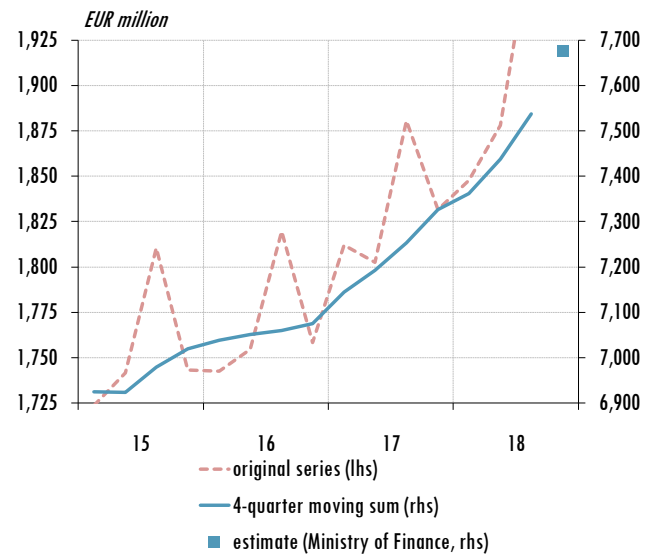
The increase in expenditure continues to be driven mainly by social transfers and compensation of employees, growing at the same pace as in 2017. The growth of the two expenditure categories lags behind the December projections, which have anticipated their accelerated growth at the level of the whole year 2018. Expenditure on intermediate consumption continues to grow, standing at 7.9% year-on-year in the first three quarters of 2018, and according to the Fiscal Council, will be higher over the whole year than the December projections. The same applies to subsidies and investment expenditure. Interest expenditure further decreased in line with the projections and was again lower year-on-year by about one-tenth. Its continued role in delivering favourable fiscal results is mirrored in the dynamics of primary expenditure, which does not include interest expenditure. Following 2.5% growth in 2017, primary expenditure increased by 5.4% year-on-year in the first three quarters of 2018, while the outlined policies and already adopted measures point to further acceleration of growth in 2019.

### Compensation of employees (ESA)



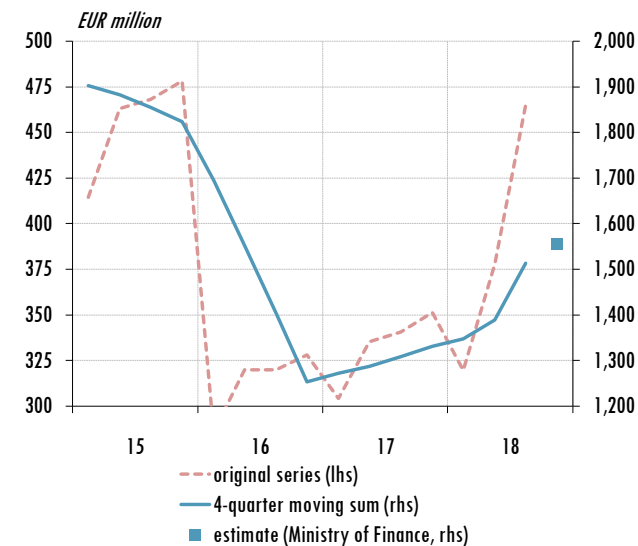
Source: SORS, MoF - DBP 2019 (Dec. 18), FC caclulations.

### Social benefits (ESA)



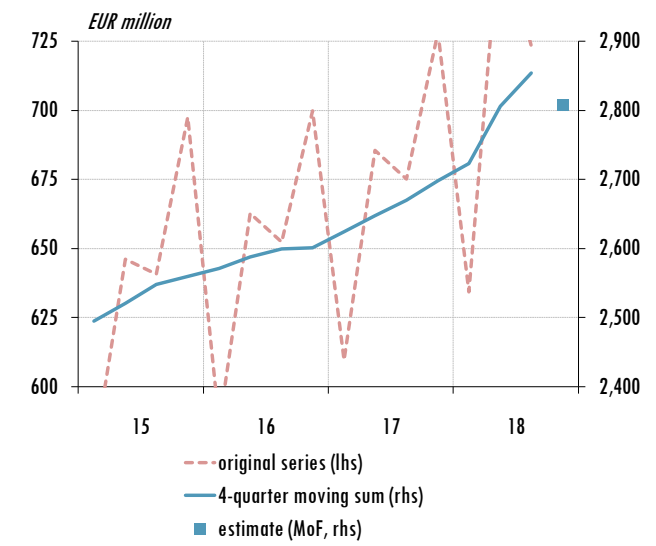
Source: SORS, MoF - DBP 2019 (Dec. 18), FC caclulations.

### Gross fixed capital formation (ESA)



Source: SORS, MoF - DBP 2019 (Dec. 18), FC caclulations.

### Intermediate consumption (ESA)



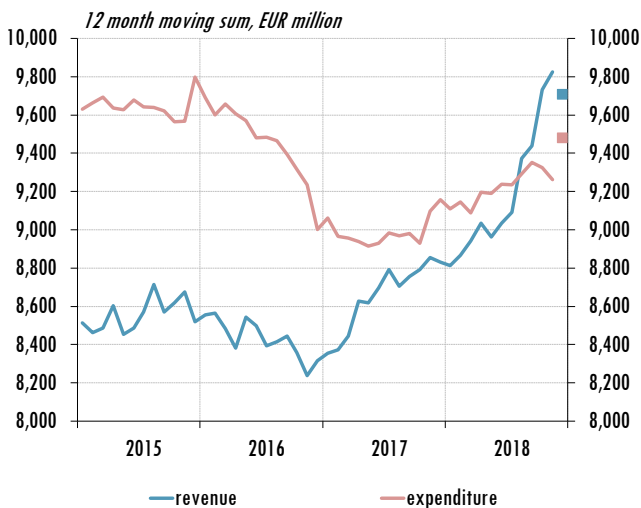
Source: SORS, MoF - DBP 2019 (Dec. 18), FC caclulations.

## State budget (GFS cash flow methodology)

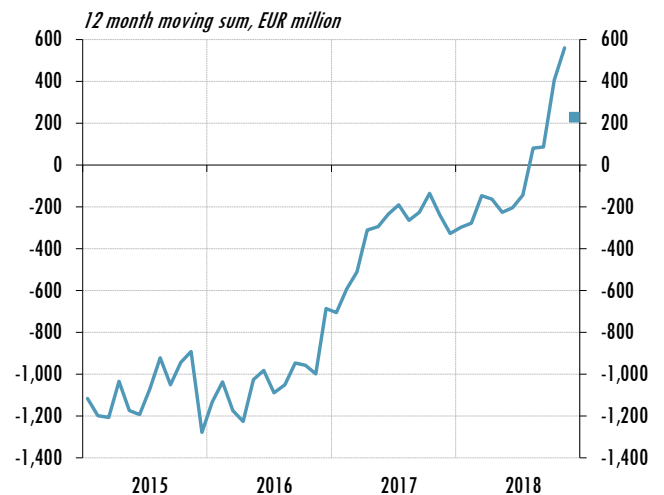
The state budget surplus amounted to EUR 730 million in 11 months of 2018 and will, over the course of the whole year, exceed the Ministry of Finance's July estimate (EUR 227 million). Such trends were largely the result of two one-off events, namely the disbursement of EU funds from the past financial perspective (EUR 168 million) and the payment of NLB dividends (EUR 271 million, of which EUR 189 million in retained profits for the previous year). Without considering these two transactions (for NLB dividends only retained profit is taken into account), the state budget surplus would be halved (EUR 373 million), which according to the Fiscal Council's estimate is necessary to be taken into account when designing future policies that will impact expenditure.

Revenue growth in eleven months of 2018 was influenced by the above-mentioned one-off factors and amounted to 12.4% and, disregarding them, to 7.9%, which is similar to the previous year. In the face of high economic growth and favourable labour market conditions, all significant tax revenues continue to grow, with the exception of excise duties. High growth is recorded in particular in personal income tax (16.4%) and in VAT revenues, which also grow faster than the year before. The rise in corporate income tax revenues slowed down compared to 2017, when growth was almost 30%, also due to an increase in the tax rate. The absorption of EU funds from the current perspective remains modest (EUR 309 million). Expenditure growth (1.3%) in eleven months of 2018 remained similar to the previous year and will lag behind the July estimates of the Ministry of Finance in the year as a whole. Total growth in expenditure is mainly due to investment expenditure and transfers, which were up year-on-year by 35.8%. The growth of transfers to individuals and households has also increased more visibly (4.6%), mainly because of measures taken after the budget amendment in autumn 2017 (child benefits, parental benefits, funds for the care for mentally and physically disabled, social assistance benefits in cash). Expenditure on wages and goods and services has been on the increase at a similar rate to the previous year and in line with the forecast for the entire year. This also applies to interest expenditure, which was a good 10% lower year-on-year.

State budget revenue and expenditure



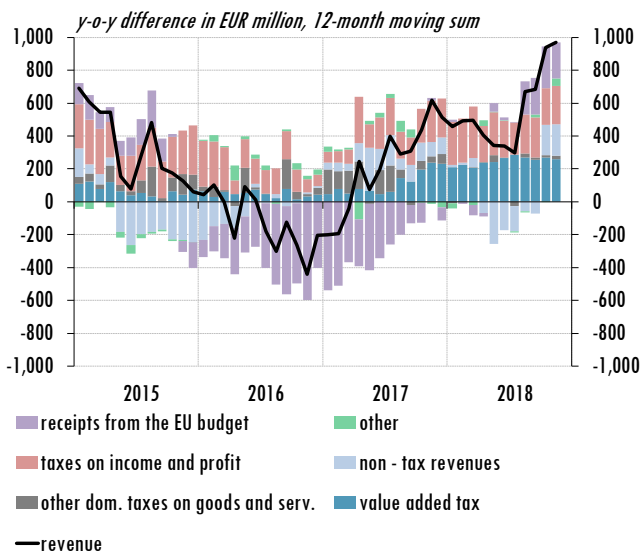
State budget balance



Source: MoF, forecast: Poročilo o izvrševanju proračuna RS (July 2018), FC calculations.

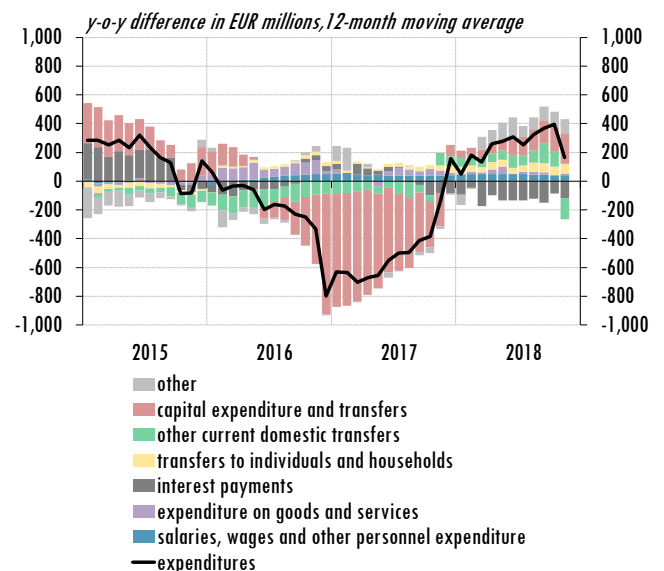
Source: MoF, forecast: Poročilo o izvrševanju proračuna RS (July 2018), FC calculations.

State budget - revenues



Source: Ministry of Finance, FC calculations.

State budget - expenditures



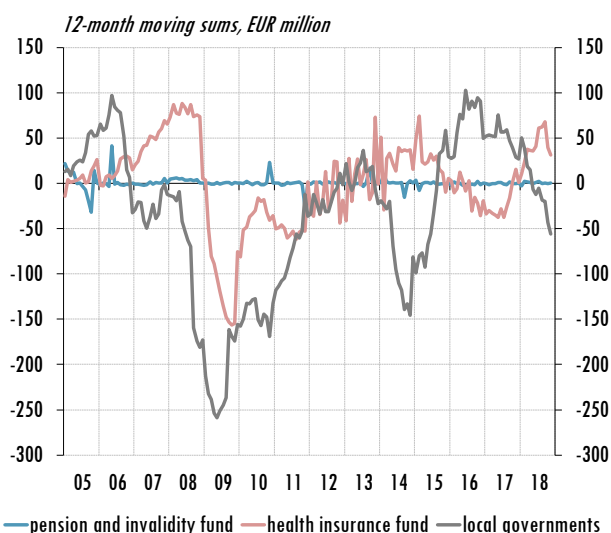
Source: Ministry of Finance, FC calculations.

## Public finance budgets (GFS cash-flow methodology)

The surplus of municipal budgets decreased by EUR 82 million year-on-year in eleven months of 2018 and amounted to EUR 28 million. Expenditure growth accelerated significantly from 4.9% in eleven months of 2017 to 13.6% over the same period of 2018. This was mainly a reflection of municipalities' increased investments, which are also linked to local elections. The increase in expenditure growth was mainly driven by higher expenditure on new construction, reconstruction and adaptation, as well as expenditure on current maintenance. In addition, revenue growth was up year-on-year (from 3.3% in eleven months of 2017 to 8.0%), which, beside the increased revenues from income tax, was primarily due to higher revenues of one-off nature (revenues from the sales of buildings and premises and from building land, other extraordinary non-tax revenues, funds received from the national budget intended for investments).

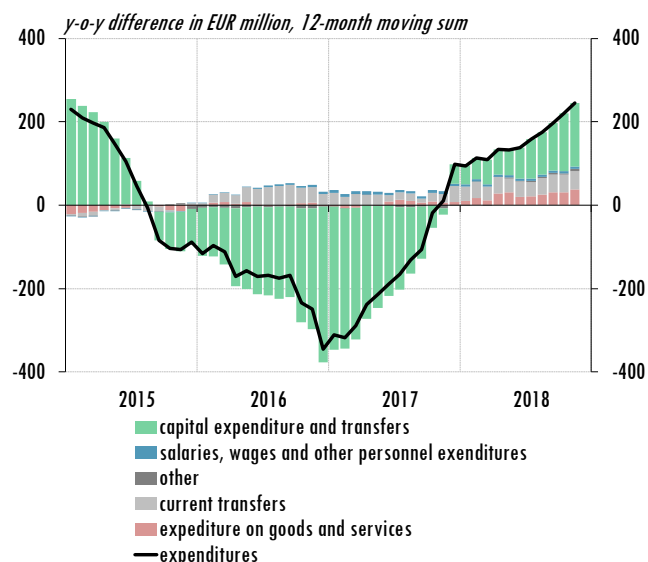
In eleven months of 2018, the increased year-on-year growth in revenues of the Pension and Invalidation Insurance Institute (ZPIZ) and the Health Insurance Institute (ZZZS) was mainly due to the favourable labour market conditions and the associated higher social security revenues. The ZPIZ revenues were higher by 3.5% year-on-year, which is double that of the same period in the previous year. The transfer from the national budget decreased again, but less so than in the previous three years, since the increase in pensions led to a more significant increase in the ZPIZ expenditure. At the same time, the dependency rate further improved in 2018 due to the favourable labour market situation and the effects of the past pension reform. The ZZZS's balance sheet was in slight surplus for eleven months (EUR 26 million) as revenue growth picked up even more than expenditure growth. The increased expenditure growth was primarily attributable to ongoing transfers to public institutions for wages and expenditure on goods and services.

### Local governments, pension and invalidity fund and health insurance fund budgets



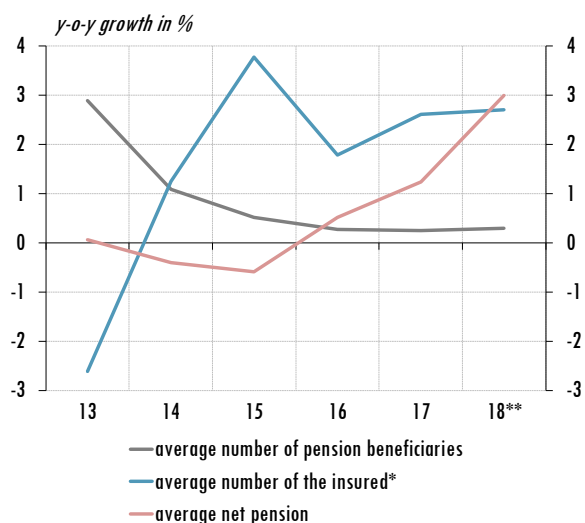
Source: Ministry of Finance, FC calculations.

### Local government budgets - expenditures



Source: Ministry of Finance, FC calculations.

### Pensions

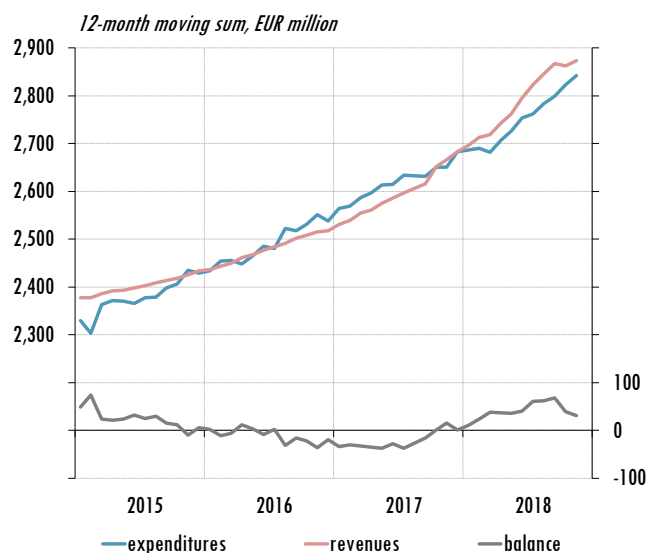


\*taking into account the additional insured in the years from 2014 onward

\*\*y-o-y growth of Jan. - Nov. average (except number of the insured: Jan. - Oct.)

Source: Pension and Disability Insurance Institute of Slovenia.

### The Health Insurance Institute of Slovenia



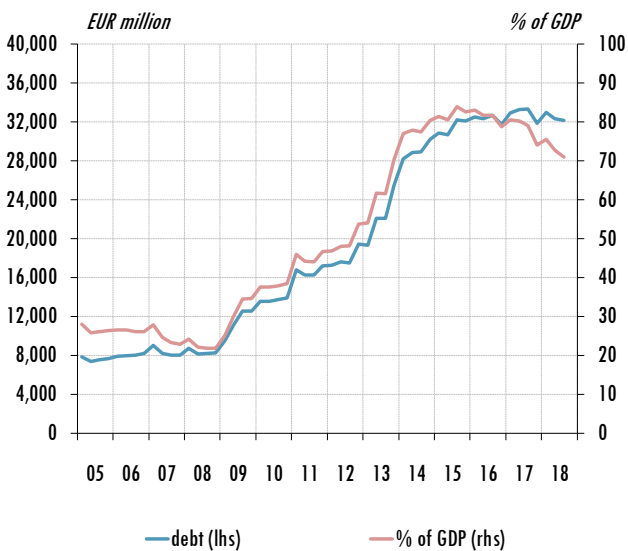
Source: MoF, FC calculations



## General government debt

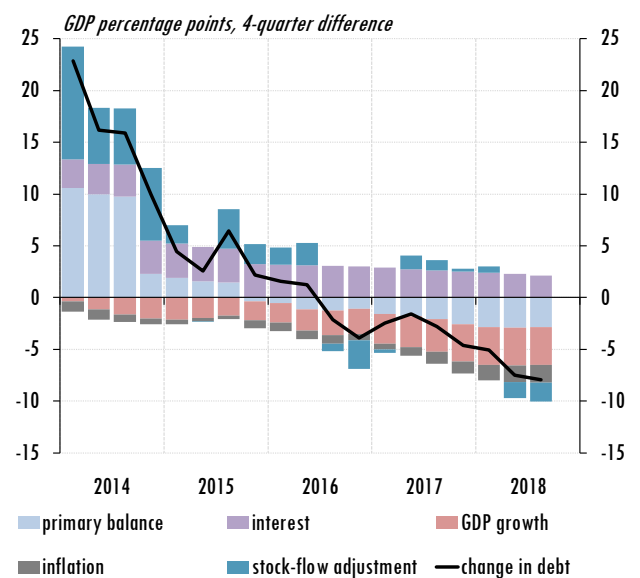
The general government debt at the end of the third quarter of this year stood at EUR 32 billion, which is EUR 1.1 billion less than a year ago. The debt-to-GDP ratio over this period declined by 8.0 percentage points to 71.0% of GDP and almost half of the decline was due to economic growth that directly impacts the denominator of the relative ratio. The surplus of the primary balance, which was also mainly related to economic growth, also had a positive effect on the reduction in the share of debt. A considerable reduction in the share of debt in GDP is still inhibited by a high level of interest expenditure, although it declined by a good one-tenth in the past year. Since mid-2016, the required yield on Slovenian government bonds has remained low, at about 1%. The favourable financing conditions and active government debt management contributed to the notable reduction in the implicit interest rate on the general government debt, which fell to 2.9% in the third quarter of 2018. The maturity distribution of liabilities remains favourable while the average time to maturity of the existing debt remains the same as at the end of 2017 (9.3 years). After a decrease in the previous two years, the amount of the Government's funds in the single treasury account increased in 2018 and at the end of December totalled EUR 6.5 billion, or 14.2% of the GDP forecast.

**General government consolidated gross debt (ESA)**



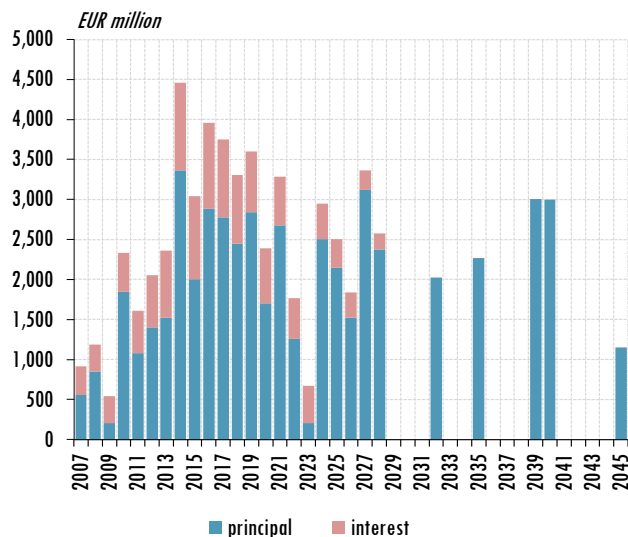
Source: SORS, FC calculations.

**Change in general government debt**



Source: SORS, FC calculations.

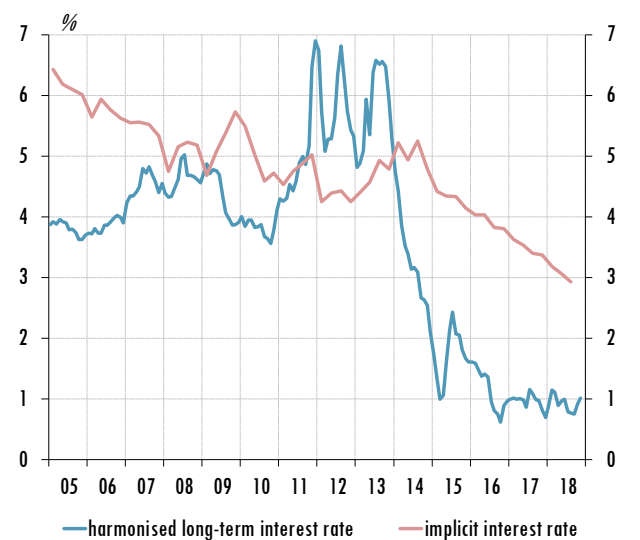
**State budget debt repayments\***



\*Note: no information on interest payments after 2028.

Source: Ministry of Finance.

**Harmonised long-term interest rate (10 year) and implicit public debt interest rate**



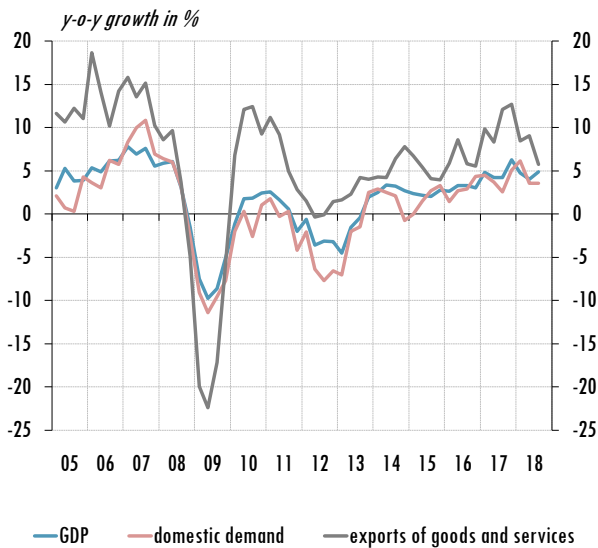
Sources: ECB, SORS, FC calculations.

## Macroeconomic trends

With continuation of favourable economic trends, the positive output gap stands at around 2% according to the latest available estimates. Due to the uncertainty and variability of such estimates, we have also been monitoring other indicators to determine the cyclical position of the economy. On their basis, we estimate that the peak of the economic cycle was achieved at the turn of 2018. The values of most indicators have been gradually shifting from the highest values during the recovery period since 2014, which particularly applies to economic growth, employment, and the economic climate, and partly also to loans to the private sector and production capacity utilisation. Supply-side constraints are manifested especially in the labour market, but are currently not reflected in an excessive increase in cost and price pressures.

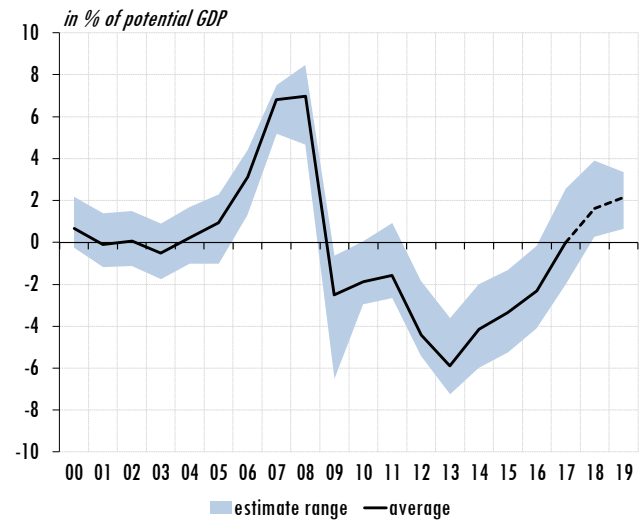
Gross domestic product in the third quarter of 2018 increased by 4.8% year-on-year and on average of three quarters did not deviate from the latest IMAD's forecasts for a total of 2018. Despite slowing down, exports remain the main driver of economic growth. The growth in investment remains stable as a result of the high utilisation of production capacities and the favourable availability of financial resources further encouraging the strengthening of investment in equipment and machinery. The revival of the real estate market and the increase in public investment are the main drivers of the growth in construction investments. According to most recent data by SORS, the growth in private consumption has slowed down significantly this year and lags behind the growth in disposable income. The latter comes mainly from a further increase in employment and the gradual strengthening of wage growth, which, however, remains moderate. Inflation picked up in 2018 due to higher contribution of prices of energy products as oil prices have risen. The core inflation (excluding prices of energy products and food), though recovering gradually, remains moderate at around 1%.

**GDP, domestic demand and exports**



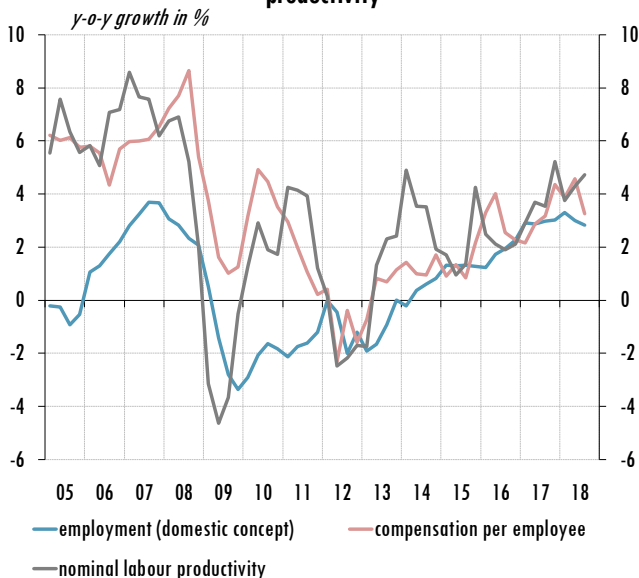
Source: SORS, FC calculations.

**Output gap estimates**



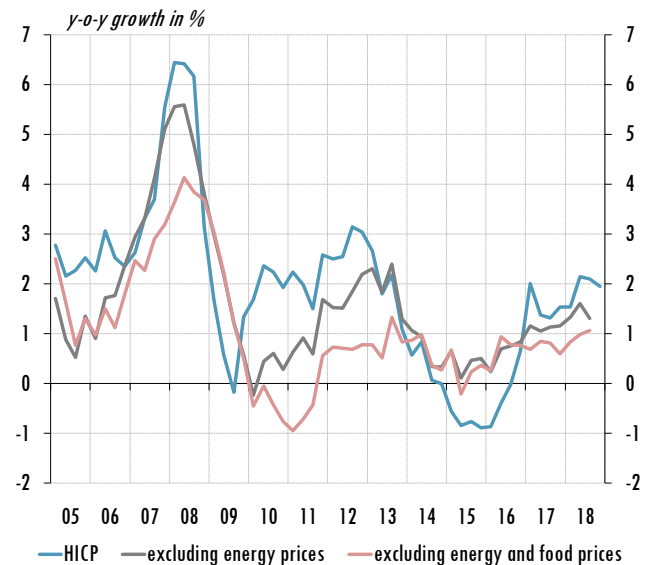
Sources: SORS, OECD, IMF, IMAD, EC, MoF, FC calculations. Note: shaded area represents output gap estimate range. See also note under Table 4.3 in Assessment of the compliance of the fiscal policy with the fiscal rules based on the draft SP 2018 amendment (FC, April 2018).

**Employment, compensation per employee and labour productivity**



Source: SORS, FC calculation.

**HICP and measures of core inflation**

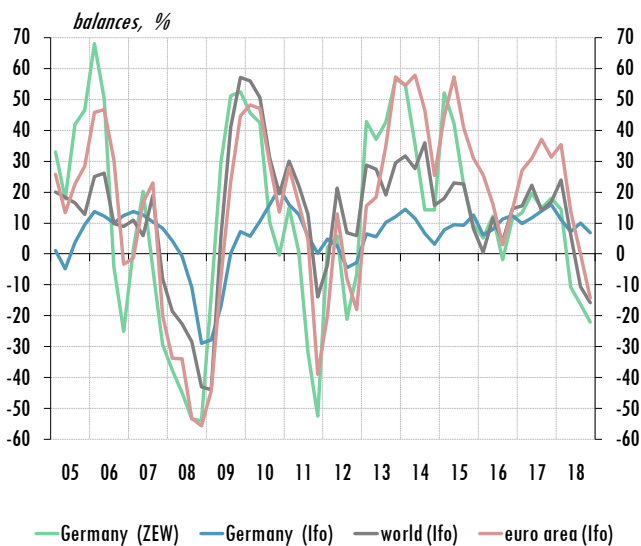


Source: Eurostat, FC calculations.

## Macroeconomic risks

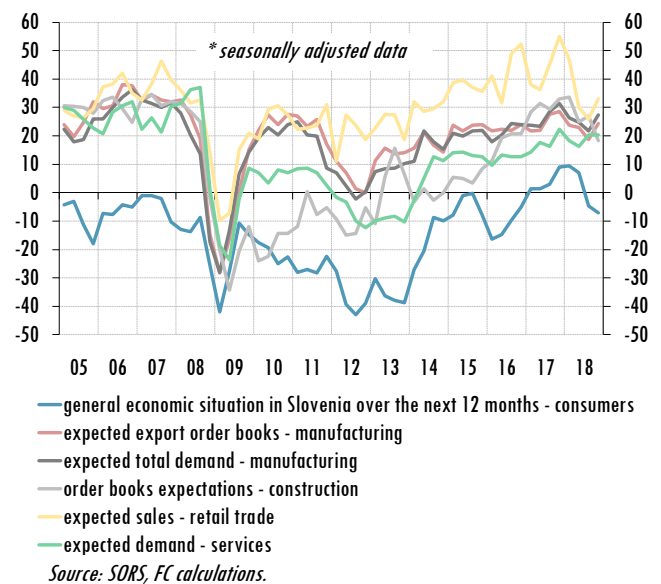
Risks for lower economic growth are increasing, arising mainly from the international environment. Economic growth in the euro area further slowed down in the third quarter and, in the months following the IMAD's autumn forecast that forms the basis for budget document proposals, international institutions are lowering their forecasts of economic growth in our major trading partners. They also draw attention to a high degree of uncertainty, mainly related to barriers to world trade, the continued functioning of the European institutional framework, and to the projected normalisation of monetary policy. This uncertainty is reflected in a further decline in the value of the sentiment and expectation indicators (both geographically and by industry), which remain at relatively high levels, suggesting the continuation of economic growth at slightly lower growth rates. In view of demographic changes in the domestic environment, supply restrictions in the labour market stand out in particular, which may influence changes in labour cost trends and in the behaviour of enterprises and the general population. In most activities, the availability of the workforce – particularly the adequately qualified workforce – is the main limiting factor. A relatively strong increase in the active working population continues, where almost one-half of the increase is the result of the employment of foreign nationals, although they account for only one-tenth of the total active working population. The situation in the real estate market might, also in light of the warnings from the Bank of Slovenia, pose an additional risk factor in the domestic environment in the future.

**International environment - expectations**

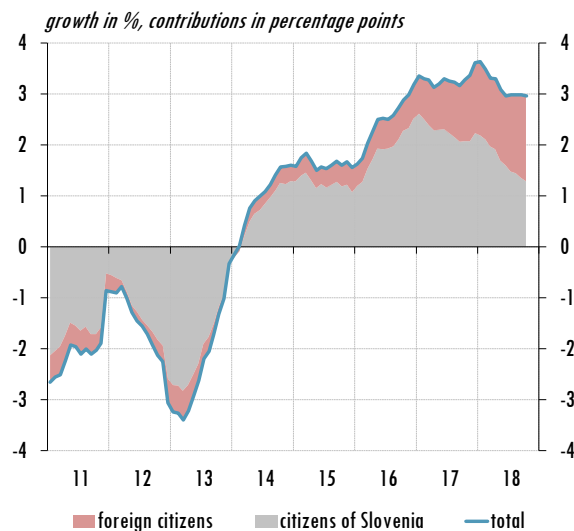


Sources: ZEW, Ifo.

**Business tendency and consumer surveys - expectations\***



**Contributions to y-o-y growth of the number of persons in employment (excluding farmers)**



Source: SORS, FC calculations.

**Housing and construction**



Sources: SORS, ECB, FC calculations.

## The main aggregates of the general government sector

	01-03				04					
	2017	2018	2018 compared to 2017	2018**	2017	2018*	2018 compared to 2017	2018***	2018 compared to 2017	
		EUR million	%	EUR million	EUR million	%	EUR million	EUR million	%	
<b>REVENUE</b>	<b>13,717</b>	<b>14,613</b>	<b>6.5</b>	<b>4,876</b>	<b>5,179</b>	<b>6.2</b>	<b>18,593</b>	<b>19,793</b>	<b>1,200</b>	<b>6.5</b>
TAXES	6,946	7,466	7.5	2,444	2,634	7.8	9,390	10,100	709	7.6
Taxes on production and imports	4,515	4,778	5.8	1,627	1,745	7.2	6,142	6,523	381	6.2
Current taxes on income, wealth, etc.	2,422	2,680	10.7	814	883	8.5	3,236	3,563	327	10.1
Capital taxes	10	8	-16.8	3	6	122.1	12	14	1	12.1
SOCIAL CONTRIBUTIONS	4,676	5,002	7.0	1,695	1,809	6.7	6,371	6,811	440	6.9
PROPERTY INCOME	413	331	-19.8	78	167	114.6	491	499	7	1.5
OTHER	1,681	1,814	7.9	659	570	-13.5	2,340	2,383	44	1.9
<b>EXPENDITURE</b>	<b>13,748</b>	<b>14,355</b>	<b>4.4</b>	<b>4,817</b>	<b>5,072</b>	<b>5.3</b>	<b>18,564</b>	<b>19,427</b>	<b>862</b>	<b>4.6</b>
COMPENSATION OF EMPLOYEES	3,579	3,754	4.9	1,233	1,360	10.3	4,812	5,114	302	6.3
INTERMEDIATE CONSUMPTION	1,970	2,126	7.9	728	683	-6.3	2,698	2,809	110	4.1
SOCIAL BENEFITS	5,495	5,706	3.8	1,831	1,969	7.5	7,326	7,676	349	4.8
INTEREST	803	707	-12.1	268	199	-25.7	1,071	906	-166	-15.5
SUBSIDIES	230	249	8.2	92	71	-22.8	322	320	-2	-0.6
GROSS FIXED CAPITAL FORMATION	980	1,162	18.6	351	393	11.9	1,332	1,555	224	16.8
CAPITAL TRANSFERS	159	111	-30.1	78	109	38.5	237	220	-18	-7.4
OTHER	531	540	1.7	234	288	23.0	765	828	63	8.2
<b>Balance</b>	<b>-31</b>	<b>259</b>	<b>290</b>	<b>59</b>	<b>107</b>	<b>48</b>	<b>28</b>	<b>366</b>	<b>337</b>	<b>337</b>
<b>Primary balance</b>	<b>773</b>	<b>965</b>	<b>193</b>	<b>327</b>	<b>306</b>	<b>-21</b>	<b>1,100</b>	<b>1,272</b>	<b>172</b>	<b>172</b>
<b>Balance, GDP %</b>	<b>-0.1</b>	<b>0.8</b>	<b>0.9</b>	<b>0.5</b>	<b>0.9</b>	<b>0.4</b>	<b>0.1</b>	<b>0.8</b>	<b>0.8</b>	<b>0.7</b>
<b>Primary balance, GDP %</b>	<b>2.4</b>	<b>2.8</b>	<b>0.4</b>	<b>2.9</b>	<b>2.6</b>	<b>-0.3</b>	<b>2.6</b>	<b>2.8</b>	<b>2.8</b>	<b>0.2</b>
<b>Nominal GDP, EUR million</b>	<b>31,799</b>	<b>34,080</b>	<b>7.2</b>	<b>11,201</b>	<b>11,662</b>	<b>4.1</b>	<b>43,000</b>	<b>45,742</b>	<b>2,742</b>	<b>6.4</b>

Sources: SORS, MoF. Notes: \*Implicitly calculated to match MoF forecast. \*\* MoF forecast; DBP 2019 (Dec. 2018).

# State budget

	Jan. - Nov.			Dec.			2018 compared to 2017		
	2017	2018	2018 compared to 2017	2017	2018*	2018 compared to 2017	2017	2018**	2018 compared to 2017
		EUR million	%		EUR million	%		EUR million	%
<b>REVENUES</b>	<b>8,049</b>	<b>9,043</b>	<b>12.4</b>	<b>781</b>	<b>663</b>	<b>-11.8</b>	<b>8,830</b>	<b>9,706</b>	<b>87.6</b>
Taxes on income and profit	1,682	1,905	13.3	188	190	2	1,870	2,095	225
Value added tax	3,204	3,447	7.6	300	250	-50	3,504	3,698	193
Other domestic taxes on goods and services	1,999	2,012	0.6	171	174	3	2,170	2,186	16
Non-tax revenues	644	835	29.5	26	-190	-216	671	645	-26
Receipts from the EU budget	315	585	86.0	80	243	162	395	828	433
Other	204	259	26.7	15	-4	-19	220	255	35
<b>EXPENDITURES</b>	<b>8,207</b>	<b>8,313</b>	<b>1.3</b>	<b>949</b>	<b>1,166</b>	<b>217</b>	<b>9,156</b>	<b>9,479</b>	<b>323</b>
Salaries, wages and other personnel expenditures	914	952	4.1	85	94	9	1,000	1,046	47
Expenditure on goods and services	603	639	5.9	125	152	28	728	791	63
Interest payments	973	856	-12.0	4	5	0	977	861	-116
Transfers to individuals and households	1,135	1,187	4.6	126	139	13	1,261	1,326	65
Other current transfers	3,558	3,403	-4.3	317	430	113	3,875	3,834	-41
Capital expenditure and transfers	415	563	35.5	190	301	112	605	864	259
Other	609	713	17.2	102	44	-58	711	757	47
Balance	-158	730	888	-168	-503	-335	-326	227	553

Source: Ministry of Finance (MoF). Notes: \*Implicitly calculated to match MoF estimates. \*\*MoF estimates: Poročilo o izvrševanju proračuna RS za leto 2018 (July 2018).