

## The updated assessment of the actual fiscal impact of the adopted one-off anti-crisis measures

Combined with the exogenous effects of the epidemic, activities for the containment of the COVID-19 epidemic will bring about a sharp economic downturn. Extensive one-off measures have been adopted to mitigate these consequences, which will have a profound impact on the fiscal situation. The adoption and particularly the implementation of such measures require transparency, which is essential for establishing their credibility both among domestic economic agents and on financial markets, the amount and price of funds available will greatly depend on this credibility. Ultimately, it is also relevant to the assessment of the measures' effectiveness after the epidemic.

Following the recommendations of international organisations (OECD and IMF), the Fiscal Council has decided to continuously monitor the fiscal impact of the one-off measures adopted so far and to regularly update its assessment. Fiscal assessments will be used as input for a review of Slovenia's fiscal sustainability in future budget documents. On 15 May 2020, the Fiscal Council published the first assessment of the actual fiscal impact of measures from the Act Determining the Intervention Measures to Contain the Covid-19 Epidemic and Mitigate its Consequences for Citizens and the Economy – ZIUZEOP, also known as the first anti-coronavirus package, which amounted to EUR 350 million. According to available data, the direct fiscal impact of measures from the first stimulus package up to 1 June 2020 amounted to EUR 634 million (see the enclosed table). Most of the expenses pertain to the period up to the end of April.

Payment delays seem to be occurring mostly with reimbursements of salary compensations for workers who have been temporarily laid off. We believe this is partly due to the existing legislation, as paragraph nine of Article 29 of the ZIUZEOP provides that the reimbursement of salary compensation be paid to the employer on the 10th day of the month following the month of the salary compensation payment. In part, the delay is also the result of administrative issues as, according to information from the Employment Service of Slovenia, a significant percentage of employers have yet to file their REK forms with the Financial Administration of the Republic of Slovenia, which are a prerequisite for payment, and many employers have not provided the correct data in their applications. As regards other adopted measures with a substantial anticipated fiscal impact, there is no data yet on the amount of exemptions from social insurance contributions for the self-employed, where the application deadline was extended to 31 May 2020, or on sick leave compensations and unemployment benefits in times of crisis. According to the Health Insurance Institute of Slovenia, the lack of data on sick leave compensations is partly due to the need for software adaptations and partly to the provision specifying that the final deadline for the submission of claims is 30 September 2020. According to information from the Employment Service of Slovenia, the decision on co-financing unemployment benefits in times of crisis did not yet have the necessary support at the end of May, hence payments are expected in mid-June. As regards the scope of individual measures, the initial official estimates were exceeded mainly when it came to deferred and approved instalment payments of tax liabilities.