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 operators and on financial markets, and where the amount and price of funds available will greatly depend on this credibility. Ultimately, transparency 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.

When adopting the first and third anti-coronavirus stimulus packages, the government estimated that the direct fiscal impact of these one-off measures would be about EUR 4 billion in total (8.8% of the GDP forecast for the current year). In the 2020 Stability Programme, the estimation of the value of the first stimulus package decreased, therefore, the official estimation of both packages together amounts to about EUR 2.8 billion (6.2% of the GDP). While they were being adopted, the Fiscal Council valued both packages together at EUR 2.3 billion (5.1% GDP). On 15 May 2020 and 1 June 2020, we published the first two overviews of actual expenditures after the adoption of anti-crisis measures which are being updated with the data as of 5 July 2020. Until this date, the actual direct impact of the measures is valued at EUR 1.1 billion, while a further EUR 259 million of deferred payments and payments in instalments of tax liabilities have been approved.

Most of the impact achieved so far has been tied to the first stimulus package. Among the measures from the first stimulus package with an expected significant fiscal impact, only the data about compensation for temporary laid-off workers for May, sick pay for employed persons covered by the Health Insurance Institute of Slovenia, and exemption from paying social contributions for self-employed and other entitled groups of population are not available. From the measures of the third stimulus package, partial subsidisation of part-time employment, for which the Employment Service of Slovenia received applications from 25,000 employed persons until the beginning of July, while no payments have yet been made, is expected to have a significant fiscal impact. From this package, EUR 7.8 million in tourism vouchers and EUR 7.4 million in allowances for members of the Civil Protection Service have been committed so far.

On 28 June 2020, the Government adopted the fourth stimulus package that extends the compensation for temporary laid-off workers until the end of July with the possibility of extension for up to two months. The compensation covered by the state has been lower since the beginning of June than it was during the epidemic. This measure together with the partial subsidisation of part-time employment is in accordance with the recommendations of the international organisations, which state that countries should lift supporting measures gradually. Considering the fact that the available data shows the value of the measures adopted so far will be lower than according to the first estimations, the liquidity position also enables the extension of these measures. In the first half of the year, the state budget went EUR 5.3 billion into net debt, while the balance of the treasury single account increased by EUR 3 billion to EUR 7.1 billion in the period from the end of last year until the end of June.