REPUBLIC OF SLOVENIA
FISCAL COUNCIL

Assessment of compliance of the general government budgets with the fiscal rules in 2022

June 2023

Document no.: 30-4/2023/6

TABLE OF CONTENTS:

FIGURES:

TABLES:

EXECUTIVE SUMMARY

In 2022, the general government deficit was high (-3.0% of GDP), despite a decrease compared to the previous year, which was mainly due to the smaller scope of the intervention measures. The deterioration in the fiscal position excluding this effect was mainly due to a significant decline in the revenue-to-GDP ratio, mainly as a result of the slower growth in the wage bill following the expiry of the COVID-19 benefits. This has not been matched by public spending in a favourable economic environment marked by continued cyclical momentum following the calming of the epidemic, but also by high inflation. Fiscal policy was expansionary-oriented, which was not appropriate in a very favourable cyclical context. On the expenditure side, this was mainly due to a further strengthening of investment activity, financed exclusively by domestic resources. The growth of general government domestic current spending also picked up, which should have been lower relative to other developments in public finances, at least in the part not related to mitigating the impact of high inflation. The inappropriate expansionary stance of fiscal policy in 2022 is confirmed by the indicative quantitative assessments, according to which most fiscal rules were not complied with last year. Thus, general government expenditure last year was significantly higher than the currently estimated maximum permissible level. The latter is, in fact, lower than the ceiling of the last applicable multiannual framework adopted in September last year, which, however, the Fiscal Council already assessed at that time as too high. Last year, only the reduction of the gross debt-to-GDP ratio to 69.9% complied with the existing rules, mainly due to the inflationary increase in nominal GDP.

***

The post-epidemic recovery in economic activity continued at a slightly slower pace last year, with inflation strengthening to its highest level since 2000 on the back of persistent external and rising domestic factors. Last year again, private consumption was a key contributor to economic growth. Construction investment was another growth driver, due to both the property market situation and to the government's increased investment activity. According to the Fiscal Council's current estimates, the output gap reached a cyclical peak last year. Slovenia's post-epidemic recovery was among the fastest in the EU, and last year's average level of economic activity exceeded the level of 2019 by 9.1%.

The overall general government deficit narrowed last year mainly due to lower COVID-related expenditure, while the deficit excluding the impact of intervention measures (0.9% of GDP) widened mainly due to the largest year-on-year decline in the revenue-to-GDP ratio since data became available. The decline in the ratio was mainly driven by a fall in the social contributions ratio, against a background of lower wage bill growth following the expiry of the COVID-19 benefits, which, in addition to amendments to legislation, also had an impact on the fall in the personal income tax ratio. Public spending did not adjust accordingly, as expenditure growth, net of the impact of the intervention measures, picked up further (to 9.8%), thus exceeding both current and medium-term estimates of potential output growth. While the overall deficit in Slovenia last year was lower than the EU average, the deterioration compared to the 2019 pre-crisis year was larger.

Last year, general government gross debt decreased to 69.9% of GDP, thus exceeding the pre-crisis level by around 4.5 pp of GDP. Last year's decline in the ratio was mainly driven by stronger inflation and thus also to a significant extent by high nominal GDP growth, which together more than compensated for the further deterioration in the primary balance. The decline was slightly higher than the EU-27 average, while the increase from the 2019 pre-crisis level was slightly lower than the EU-27 average. The government's financing conditions tightened last year, with spreads increasing slightly more than in some similar euro area countries. In particular, the favourable liquidity position of the state budget provides some room for manoeuvre in the face of rising interest rates. The balance in the Treasury Single Account increased further last year, reaching 13.0% of GDP at the end of the year.

In a period of exceptional circumstances, which was also the case last year, the Fiscal Council provides only indicative quantitative assessments of compliance with the fiscal rules and places greater emphasis on qualitative assessments, given the increased uncertainty in the calculation of key input variables. Nevertheless, the Fiscal Council has to determine, based on domestic legislation, whether the actual volume of general government expenditure corresponded to the last applicable ceiling set by the amendment of the framework under Article 13 of the Fiscal Rule Act. While the level of expenditure incurred last year was lower than the last ceiling set by the Ordinance in September last year, the Fiscal Council assessed that it was already too high at the time of adoption. The significantly excessive level of expenditure incurred last year in view of the existing fiscal rules is also evident from the ex post assessment based on the latest known estimates of input data.

Legislative basis

Pursuant to point 4 of paragraph two and point 3 of paragraph three of Article 7 of the Fiscal Rule Act (hereinafter: the FRA), the Fiscal Council (hereinafter: the FC) is obliged to provide an assessment of the compliance of the implemented general government budgets with fiscal rules by 30 June of the current year for the previous year. On 31 March 2023, the Statistical Office of the Republic of Slovenia published data on the *Main aggregates of the general government 2019-2022*[1] according to the ESA methodology, and on 19 April 2023, the *April Report on Excessive Deficit and Debt 2019-2022.*[2] In addition, the FC obtained data from the Ministry of Finance on the outturn of the consolidated general government financial accounts and of the four individual budgets according to the cash-flow methodology.[3]

In April 2021[4] and September 2021[5], the FC assessed that the conditions allowing the application of exceptional circumstances under Article 12 of the FRA and thus for a temporary deviation from the medium-term fiscal balance were also fulfilled in 2022. The enforcement of the decision on the existence of exceptional circumstances in 2022 was also recommended at EU level by the European Commission in March 2021[6] and June 2021[7], which called for the differentiation of Member States' fiscal policies, taking into account the differences in the level of economic recovery achieved and the different risks to the medium- and long-term fiscal sustainability of each country. The extent of the permissible deviation from the medium-term balance under Article 13 of the FRA is proposed by the Government through a proposal for the amendment of the framework set by the National Assembly. The National Assembly adopted two frameworks covering the year 2022, namely in April 2019[8] and in April 2021[9], and three amendments to the framework (in November 2020[10], in September 2021[11] and in September 2022[12]). The FC assesses the amendments to the framework under Article 13 of the FRA on the basis of point 8 of paragraph two and point 5 of paragraph three of Article 7 of the FRA.

While domestic legislation does not explicitly prescribe the method for making an ex post assessment of the compliance of implemented budgets with fiscal rules for the period during which exceptional circumstances are applied, in relation to Articles 6 and 13 of the FRA, general government expenditure must be consistent with the adopted budgeting frameworks. In the assessment, the FC mainly examines whether the outturn for the part of expenditure related to the cyclical position of the economy, which does not include expenditure directly related to the elimination of the impact of the epidemic and the high cost of living, complies with the most recently adopted framework and the ex post assessment of the general government expenditure ceiling. The latter is done in accordance with the formula set out in Article 3 of the FRA, which treats the volume of expenditure directly related to the elimination of the effects of the epidemic and the high cost of living as one-off expenditure. Due to increasing uncertainty about the calculation of input parameters, the FC only makes an indicative

[1] SORS (2023a).
[2] SORS (2023b).
[3] Available at: https://www.gov.si/en/topics/fiscal-policy/.
[4] FC (2021a).
[5] FC (2021b).
[6] EC (2021a).
[7] EC (2021b).
[8] OG RS (2019).
[9] OG RS (2021a).
[10] OG RS (2020).
[11] OG RS (2021b).
[12] OG RS (2022).

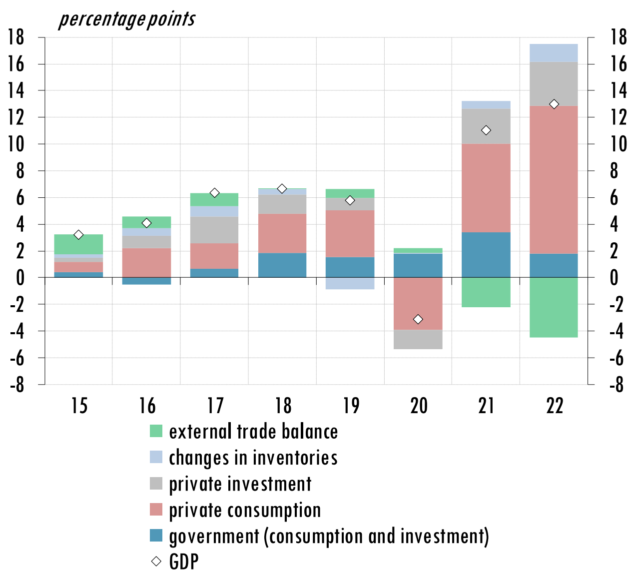
quantitative assessment for the period of exceptional circumstances. This applies also to assessments based on Article 15 of the FRA, according to which the Fiscal Council assesses compliance with the rules pursuant to the Stability and Growth Pact (SGP).

1. Macroeconomic and fiscal trends in 2022

1.1 The macroeconomic situation and assessment of the cyclical position of the economy

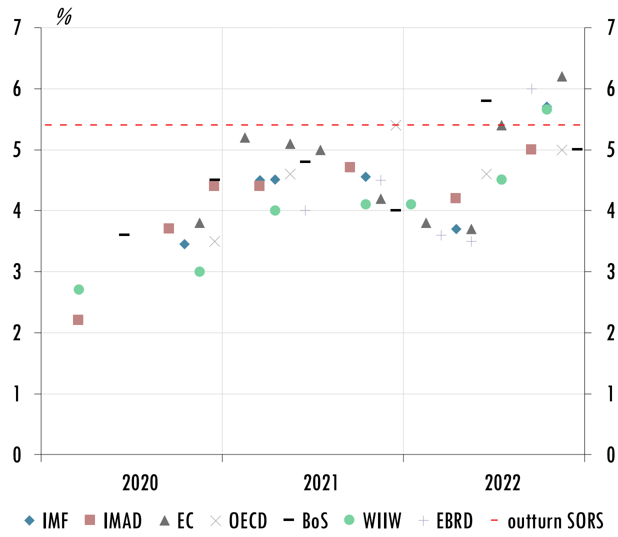
The post-epidemic recovery in economic activity continued at a slower pace last year, with inflation strengthening to its highest level since 2000 on the back of external and domestic factors. GDP is currently estimated to have grown in 2022 by 5.4% in real terms and as much as 13.0% in nominal terms. Slovenia's post-epidemic recovery has been among the fastest in the EU, and last year's average level of economic activity exceeded the level of 2019 by 9.1%.[13] Private consumption was again a key contributor to economic growth last year, supported by continued favourable labour market conditions and the consumption of excess savings accumulated during the epidemic.[14] The other growth driver was construction investment, due to the property market situation as well as the increased government investment activity. The growth in government spending slowed from the historically high levels of the previous two years, mainly due to a reduction in expenditure to mitigate the epidemic. Uncertainties and higher commodity prices, in particular for energy products, and continued disruptions in global supply chains were reflected in a slowdown in export activity and investment in equipment and machinery, especially towards the end of the year. According to the IMAD estimates, export growth lagged behind foreign demand growth last year for the first time ever, and with imports growing at a higher rate, the contribution of net exports to GDP growth was the most negative since 2007. The strengthening of inflation, which was initially driven by external factors linked to the rise in energy prices and supply chain constraints, became more broad-based over the course of last year also because economic activity recovered rapidly in the face of the persistence or even tightening of supply side constraints.

Figure 1.1: Contributions to nominal GDP growth



Source: SORS, FC calculations.

Figure 1.2: Forecasts of real GDP growth for 2022



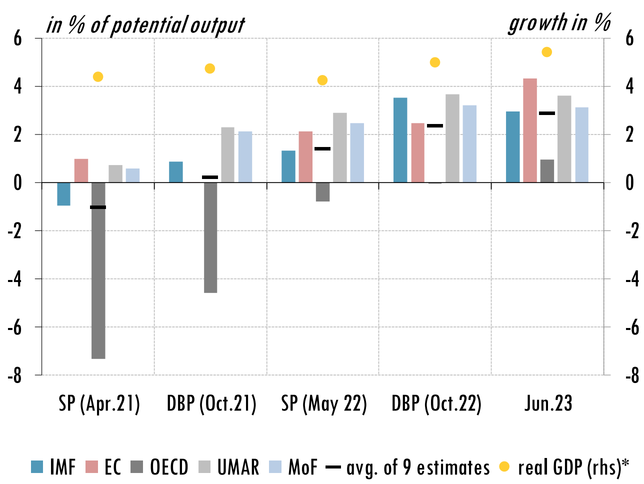
Source: SORS, IMF, IMAD, EC, OECD, BoS, WIIW, EBRD.

According to current FS estimates, following the opening-up of the economy after the epidemic and the rapid recovery in 2021, the output gap reached the peak of the cycle in 2022. Output gap estimates differ due to different methodologies and differences in input data; furthermore, they can

[13] Both the post-epidemic recovery in 2021 and 2022 and last year's overshooting of the pre-crisis level were the fifth highest in the EU.

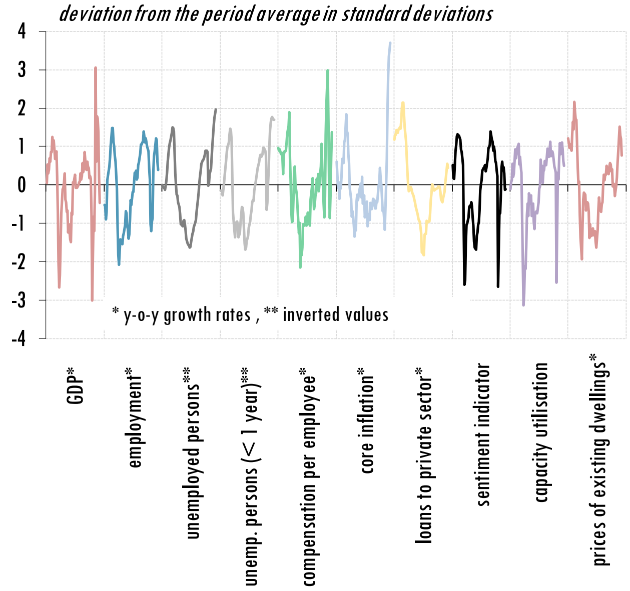
[14] According to the first estimates of SURS, the household savings rate is deemed to have fallen to 9.3% last year, the second lowest level so far.

Figure 1.3: Output gap estimates for 2022 by documents



Source: SORS, EC, IMF, MoF, OECD, IMAD, FC calcualtions, see note under Table 2.2.
*Note: * Forecast IMAD/outturn SORS.*

Figure 1.4: Indicators of economic cycle dynamics 2005-2022



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

significantly change over time or especially in the event of a major shock, as they are sensitive to major changes in economic forecasts (see Figure 1.3). Due to the extent of the epidemiological and the cost-of-living crises, their heterogeneous impact on economic activity and, in particular, their potential long-term consequences, the assessments of the cyclical position of the economy are even more uncertain.[15] This is also illustrated by the extremely wide range of different assessments of the output gap for 2022, which, according to the latest available estimates, is between 1.0% and 4.3%.[16] Other indicators monitored by the FC to determine the cyclical position of the economy, however, confirm output gap estimates pointing to the strong cyclical momentum of the economy, as in the last two years most of them were at their highest level since 2006–2008.

1.2 Fiscal trends – the general government sector (ESA)

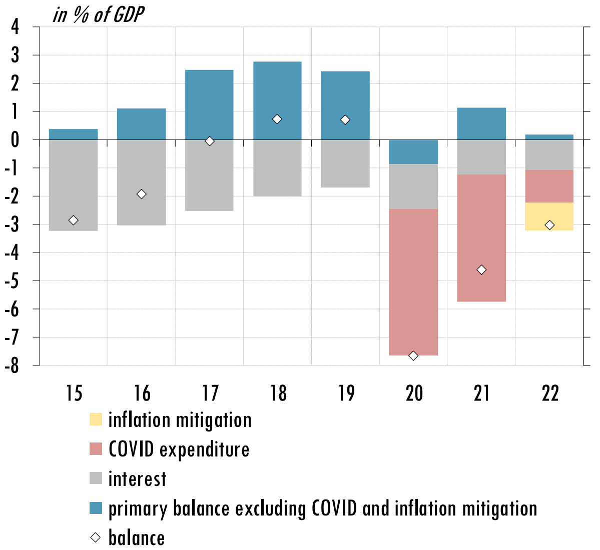
The general government deficit narrowed last year mainly due to lower COVID-related expenditure, while the deficit excluding the impact of intervention measures widened mainly due to the decline in the revenue-to-GDP ratio. The overall deficit was EUR 1,779 million or 3.0% of GDP, i.e. around EUR 630 million or 1.6 pp of GDP lower than the previous year. According to the ESA methodology[17], expenditure to contain the impact of the epidemic based on SURS data amounted to EUR 690 million or 1.2% of GDP, which is approximately EUR 1.7 million less than in 2021. Last year, as inflation strengthened, a number of measures were taken to mitigate the impact of the high cost of living, which were estimated by the FC at EUR 576 million, or 1.0% of GDP. Since the onset of the epidemic, the FC has been warning, in accordance with the legislation, that fiscal trends not directly related to intervention measures must not endanger the medium-term fiscal balance or

[15] For an analysis of the uncertainty of output gap estimates in the context of the epidemic crisis in Slovenia, see Box 1.1 in Fiscal Council (2020a).

[16] It should be noted that the OECD's output gap estimate has for a longer period been showing a significant downward deviation from all other estimates used by the FC.

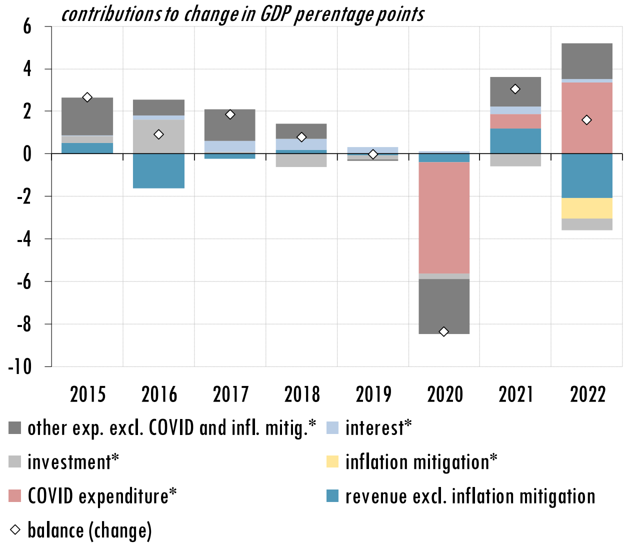
[17] This is an internationally comparable methodology which, in accordance with the FRA, is also used in the preparation of assessments of compliance with fiscal rules and is based on the accrual principle. This means that a transaction is recorded when the liability or receivable is incurred. The assessment of the direct impact under this methodology differs from the FC's assessments made for its regular Monthly Information publications (see https://www.fs-rs.si/publications/monthly-information/), which are based on the state budget accounts by using the cash-flow methodology. This means that the transaction is recorded on a payment basis.

Figure 1.5: General government budget balance



Source: SORS, MoF, FC calculations.

Figure 1.6: Factors of change to general government balance



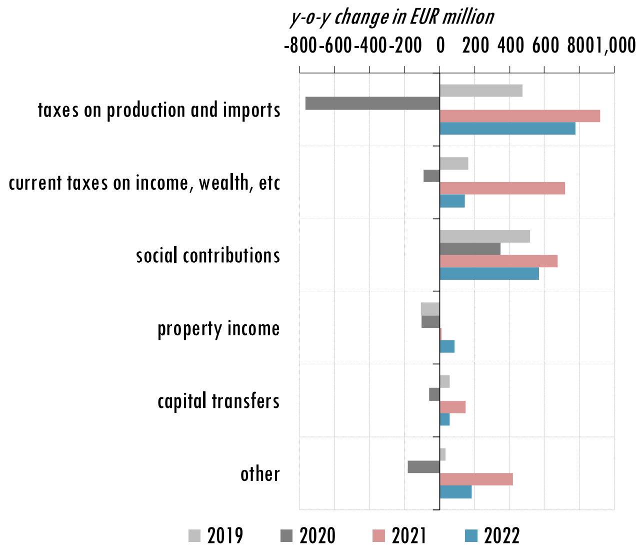
*Source: SORS, FC calculations. *Positive sign denotes a decrease, negative sign denotes an increase.*

Table 1.1: General government balance (ESA methodology)

EUR million, unless stated otherwise	2021				2022				2022/2021, %		2022/2021	
	total	COVID	inflation mit.	excl. COVID and infl. mitig.	total	COVID	inflation mit.	excl. COVID and infl. mitig.	total	excl. COVID and infl. mitig.	total	excl. COVID and infl. mitig.
Revenue	**23,448**			**23,448**	**25,049**		**-224**	**25,273**	**6.8**	**7.8**	**1,601**	**1,825**
Total taxes	11,448			11,448	12,162		-217	12,379	6.2	8.1	714	931
Taxes on prod.and imp.	7,039			7,039	7,601		-217	7,818	8.0	11.1	562	779
Cur. taxes on inc., wealth	4,394			4,394	4,540			4,540	3.3	3.3	146	146
Capital taxes	15			15	20			20	37.1	37.1	5	5
Social contributions	8,746			8,746	9,315			9,315	6.5	6.5	569	569
Property income	316			316	403			403	27.3	27.3	86	86
Capital transfers	390			390	449			449	15.3	15.3	60	60
Other	2,548			2,548	2,720		-7	2,727	6.8	7.1	173	180
Expenditure	**25,858**	**2,363**		**23,494**	**26,828**	**690**	**352**	**25,786**	**3.8**	**9.8**	**971**	**2,291**
Comp. of employees	6,616	590		6,026	6,448	24		6,425	-2.5	6.6	-168	398
Intermediate consumption	3,396	271		3,124	3,676	313		3,363	8.3	7.6	280	239
Social benefits	9,615	230		9,385	10,575	59	197	10,319	10.0	10.0	960	934
Interest	650	10		640	637	13		624	-2.1	-2.5	-14	-16
Subsidies	1,273	836		438	757	61	150	546	-40.5	24.8	-516	108
Gross fixed capital form.	2,445			2,445	3,085			3,085	26.2	26.2	640	640
Other	1,863	426		1,436	1,651	221	6	1,424	-11.4	-0.9	-212	-12
Balance	**-2,410**	**-2,363**		**-46**	**-1,779**	**-690**	**-576**	**-513**			**631**	**-466**
Balance (in % of GDP)	**-4.6**	**-4.5**		**-0.1**	**-3.0**	**-1.2**	**-1.0**	**-0.9**			**1.6**	**-0.8**

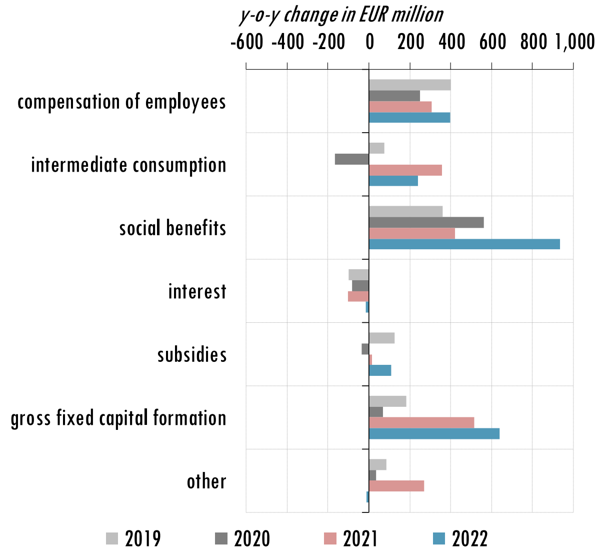
Source: SORS, MoF, FC calculations.

Figure 1.7: General government revenue excluding inflation mitigation



Source: SORS, MoF, FC calculations.

Figure 1.8: General government expenditure excluding COVID and inflation mitigation



Source: SORS, MoF, FC calculations.

sustainability.[18] In line with this orientation, in times of exceptional circumstances, our estimates emphasise developments without the impact of the direct effect of measures related to the epidemic or, since last year, also to the cost-of-living crisis. Thus, the deficit excluding the impact of the intervention measures last year amounted to EUR 513 million or 0.9% of GDP, up from EUR 46 million or 0.1% of GDP the year before. The deterioration in last year accounts, without taking into account the direct impact of the intervention measures, was predominantly due to a slowdown in revenue growth, i.e. a decline in the revenue-to-GDP ratio, while investment activity continued to strengthen.

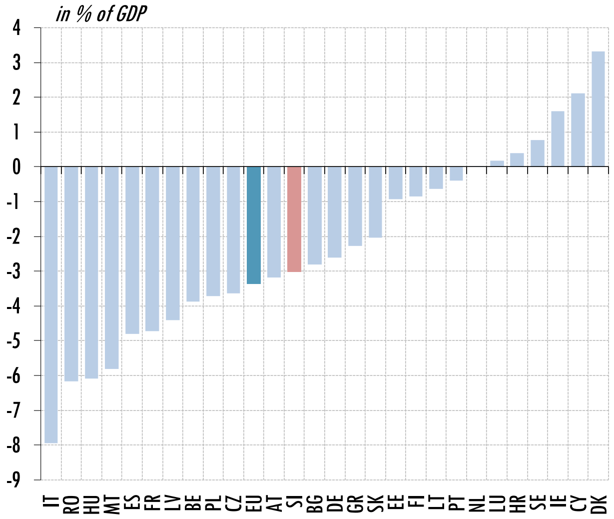
After exceptionally high growth in 2021, growth in most key revenue categories slowed down last year and their ratios to GDP were at an all-time low. Last year, revenue growth (6.8%) was about half of the previous year's level, although nominal growth in most tax bases strengthened further last year. The slowdown was partly due to slower growth in the social contribution base, partly to the statutory relief of personal income tax, and, at the same time, to stagnation in the use of EU funds, despite the expiration of the previous multiannual framework and newly available RRP funds. The slowdown in growth was also partly due to intervention measures to alleviate the cost-of-living crisis.[19] As revenue growth significantly lagged behind nominal GDP growth, its share fell by as much as 2.4 pp to an all-time low.

Expenditure grew by 3.8% last year, while expenditure growth excluding the impact of the intervention measures strengthened to 9.8%. The volume of general government expenditure under the ESA methodology for COVID-related measures (EUR 690 million) was, according to the SURS estimate, much lower last year than in 2021, while expenditure to mitigate the cost-of-living crisis amounted to around EUR 350 million. In total, expenditure on intervention measures accounted for 2.1% of GDP last year, which is significantly less than the previous year (4.5% of GDP). However, last year's stronger expenditure growth excluding intervention measures, with investment activity growing at a similar pace as the previous year, was mainly driven by stronger current spending. The latter was mainly driven by higher growth in social benefits due to higher inflation already in 2021, as well as

[18] According to paragraph one of Article 12 of the FRA, the medium-term balance may be departed from, provided that this does not endanger fiscal sustainability in the medium term.

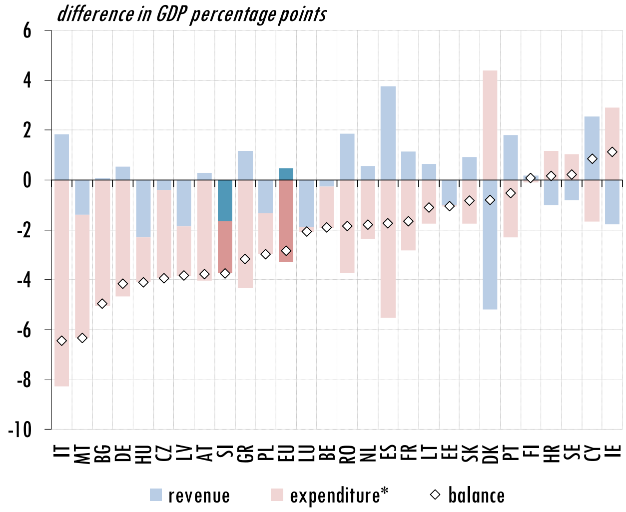
[19] In addition to the administratively set maximum energy prices, a lower VAT rate on energy products was in force in the last four months of the year, excise duties on energy products were set at the minimum permissible level for most of the year and payments of the CO2 levy were frozen.

Figure 1.9: General government budget balance 2022



Source: Eurostat, FC calculations.

Figure 1.10: General government budget balance change (2022/2019)



Source: Eurostat, FC calculations. Note: * Positive sign denotes a decease in expenditure share and vice versa.

increases as a result of discretionary measures.[20] Similarly as revenue, given that nominal GDP growth was even higher, last year the current spending-to-GDP ratio fell by 1.7 pp to an all-time low.

Slovenia's deficit last year was smaller than the EU-27 average, but the deterioration of the balance in Slovenia, compared to the pre-crisis year 2019, was larger. The deficit at the EU-27 average level narrowed from 4.8% of GDP in 2021 to 3.4% of GDP last year, with a deterioration of 2.9 pp of GDP compared to 2019. Slovenia's general government balance deteriorated by 3.7 pp of GDP from 2019, which is the ninth largest deterioration among Member States. The deterioration relative to the pre-crisis year in Slovenia was to a similar extent driven by a lower revenue-to-GDP ratio and a higher expenditure ratio. The decline in the revenue ratio (1.6 pp of GDP) was mainly due to lower revenue from excise duties, as they were reduced to the minimum permitted level at the beginning of last year due to the high cost of living. However, the increase in the expenditure ratio (2.1 pp of GDP) compared to the pre-crisis year 2019 was mainly due to intervention measures and higher investment activity. On the other hand, the deterioration in the EU average balance was exclusively due to higher expenditure (by 3.2 pp of GDP).

1.3 Fiscal trends – public finance budgets (the GFS cash-flow methodology)

According to the final data, the state budget deficit amounted to EUR 1,364 million in 2022 and, excluding the direct impact of intervention measures, EUR 8 million. In both comparisons, it was much smaller than in 2021, mainly due to lower expenditure on COVID-related measures and, and despite a slowdown also due to relatively high revenue growth, compared to the previous year, in the context of a further recovery in economic activity. In line with the FC expectations, the deficit was significantly lower than that of the September revised budget (by EUR 676 million) which served as the basis for the preparation of the 2023 and 2024 budgetary documents.[21]

[20] Pensions, as the largest component of social benefit expenditure, underwent a regular adjustment of 4.4% last year, and an extraordinary adjustment with a financial impact of EUR 145 million was also carried out.

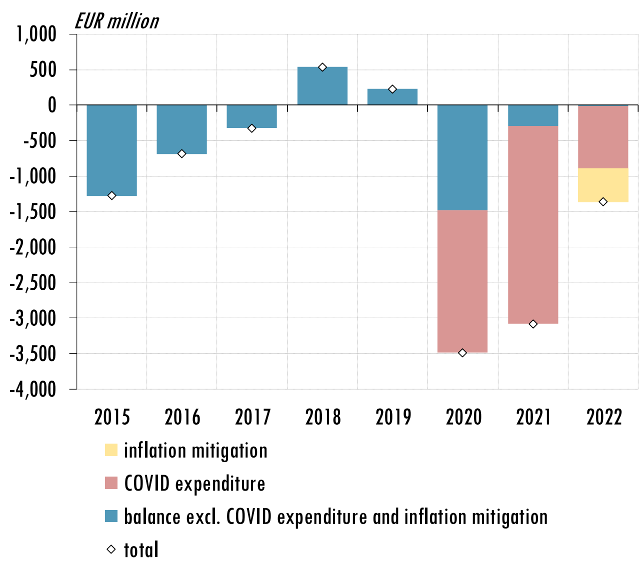
[21] Fiscal Council (2021c).

Table 1.2: State budget outturn (cash-flow methodology)

EUR million, unless stated otherwise	2021				2022				2022/2021, %		2022/2021	
	total	COVID	inflation mitig.	excl. COVID and infl. mitig.	total	COVID	inflation mitig.	excl. COVID and infl. mitig.	total	excl. COVID and infl. mitig.	total	excl. COVID and infl. mitig.
Revenue	**11,174**			**11,174**	**12,345**		**-217**	**12,562**	**10.5**	**12.4**	**1,171**	**1,388**
VAT	4,231			4,231	4,747		-58	4,805	12.2	13.6	516	574
Excise duties	1,470			1,470	1,446		-99	1,545	-1.6	5.1	-24	75
Personal income tax	1,514			1,514	1,586			1,586	4.8	4.8	72	72
Corporate income tax	1,115			1,115	1,553			1,553	39.3	39.3	439	439
EU funds	947			947	957			957	1.1	1.1	10	10
Non-tax	817			817	770			770	-5.7	-5.7	-46	-46
Other revenue	1,080			1,080	1,284		-60	1,344	18.9	24.5	204	264
Expenditure	**14,254**	**2,788**		**11,466**	**13,709**	**885**	**253**	**12,570**	**-3.8**	**9.6**	**-545**	**1,105**
Total labour costs	4,209	777		3,432	3,751	37		3,714	-10.9	8.2	-457	282
Transfers to individ. and hou.	2,532	1,007		1,525	1,965	134	104	1,727	-22.4	13.2	-567	202
Exp. on goods and services	1,523	266		1,258	1,526	156		1,370	0.2	9.0	3	113
Investment	1,238	59		1,179	1,669	55		1,614	34.8	36.8	430	434
Curr. transf. to soc. sec. funds	1,369	1		1,369	1,526	279		1,246	11.4	-8.9	156	-122
Subsidies	815	414		401	632	51	150	432	-22.4	7.6	-183	30
Interest	727			727	655			655	-9.9	-9.9	-72	-72
Payments to the EU budget	629			629	730			730	16.0	16.0	101	101
Other expenditure	1,211	265		946	1,255	172		1,083	3.6	14.5	44	137
Balance	**-3,080**	**-2,788**		**-292**	**-1,364**	**-885**	**-470**	**-8**			**1,717**	**284**
Balance (in % of GDP)	**-5.9**	**-5.3**		**-0.6**	**-2.3**	**-1.5**	**-0.8**	**0.0**			**3.6**	**0.5**

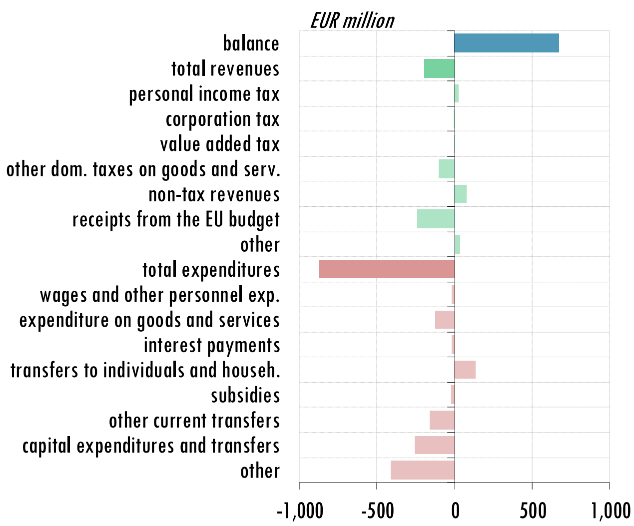
Source: MoF, FC calculations.

Figure 1.11: State budget balance



Source: MoF, FC calculations.

Figure 1.12: Difference between state budget outturn and the Revised state budget for 2022



Source: MoF, state budget outturn and the Revised state budget for 2022 (Sep. 22).

Revenue growth was high last year (10.5%) but more than halved compared to the previous year. The slowdown was largely due to developments in the last three months of the year, when revenues were lower year-on-year, mainly due to a slowdown in year-on-year growth in economic activity against a high base from the end of 2021. VAT revenues were the main contributor to annual growth, but their growth was almost half that of the previous year, due to a year-on-year decline in the last three months of the year, which is predominantly attributed to a slowdown in domestic demand amid high inflation and uncertainty, and partly to the lower VAT rate on energy products. The second most important driver of revenue growth was significantly higher corporate income tax revenues, mainly as a result of record high balancing payments due to the strong performance of companies in 2021. In contrast, growth in personal income tax revenues moderated significantly as most of the benefit payments, which were markedly high in 2021, came to an end. The moderation in growth was also due to amended legislation and higher personal income tax refunds than in 2021. Excise duties revenue was lower than in the previous year, mainly due to the reduction of excise duties as from February 2022 in the context of high energy prices. Non-tax revenues were lower mainly due to the base effect, since their sharp increase in 2021 was largely the result of one-off revenues from mobile network concessions. The revenue from EU funds were practically the same as the year before, despite the winding down of the multiannual Financial Perspective.

Total expenditure decreased last year due to significantly lower COVID-related expenditure, while the growth in so-called "core" expenditure (excluding intervention measures) strengthened (to 9.6%), partly due to high inflation. The main contributor to growth was higher investment activity, which increased similarly as in the previous year. Nevertheless, it was much lower than foreseen in the revised budget, confirming the FC's assessment of continued unrealistic planning regarding this part of spending. Around a quarter of the growth in "core" expenditure was contributed by higher labour costs, largely due to stronger growth at the end of the year as a result of the impact of the wage increase agreement. Following a reduction in 2021, transfers to individuals and households increased by 13.2% last year, largely as a result of the statutory adjustment to inflation or wage growth. Transfers to social security funds were lower last year than the year before and, in line with the FC estimate at the time of the adoption of the autumn 2022 revised state budget, fell short of projections (by almost EUR 200 million). "Core" expenditure on subsidies (excluding measures to mitigate the epidemic and the cost-of-living crisis) increased by 7.6% after the reduction in 2021, while the growth of "core" expenditure on goods and services and of payments to the EU budget was similar to the year before. Overall expenditure growth was again tempered by lower interest expenditure.

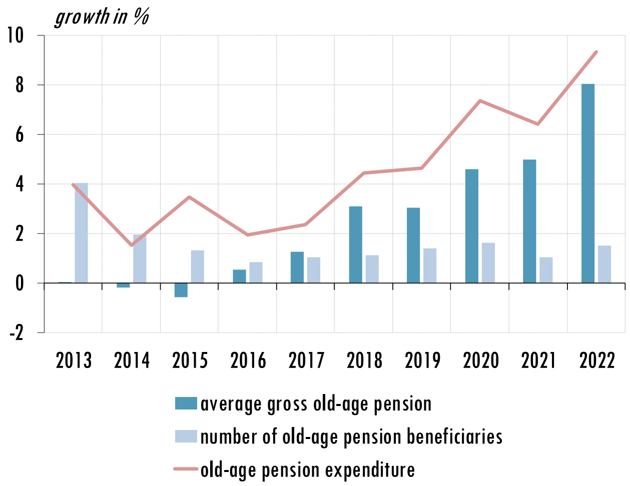
The volume of intervention measures to mitigate the impact of the epidemic and the cost-of-living crisis amounted to EUR 1,355 million last year, around half of the 2021 level. Last year, state budget expenditure on COVID-related measures fell significantly and amounted to EUR 885 million, while it amounted to EUR 5,678 million since the start of the epidemic in March 2020. Among the individual measures, the largest share of last year's COVID-related expenditure was represented by the cost of vaccination and testing (EUR 230 million), the financing of the Health Insurance Institute of Slovenia (ZZZS) required under Article 80 of the Act Determining Additional Measures to Prevent the Spread of COVID-19 and to Mitigate, Control, Ensure Recovery from and Eliminate Its Impact (ZDUPŠOP) (EUR 211 million),[22] the payment of tourist vouchers (EUR 113 million) and various

[22] The largest part was allocated to labour costs in public institutions, which are to a significant extent not directly related to the epidemic. Paragraph two of Article 80 of the Act Determining Additional Measures to Prevent the Spread of COVID-19 and to Mitigate, Control, Ensure Recovery from and Eliminate Its Impact (ZDUPŠOP) provides that the state budget shall cover the obligations of the Health Insurance Institute of Slovenia (ZZZS) arising from the increase in the salaries of specific professional groups in the health sector. These liabilities are thus formally related to the epidemic, although not in terms of substance, and will continue to be a burden on the State budget in the future, thus constituting one of the examples of the structural deterioration of public finances as a consequence of the measures taken during the epidemic.

solidarity allowances (EUR 78 million). The total impact of measures to ease the cost-of-living crisis on the state budget last year amounted to EUR 470 million. Of this, the Ministry of Finance estimates that revenues were lower by EUR 217 million due to the reduced VAT rate on energy products, reduced excise duties and the freeze on the payment of the CO2 levy. Among expenditure, EUR 150 million were allocated to subsidies to the economy and agriculture and EUR 104 million to various transfers to individuals and households.

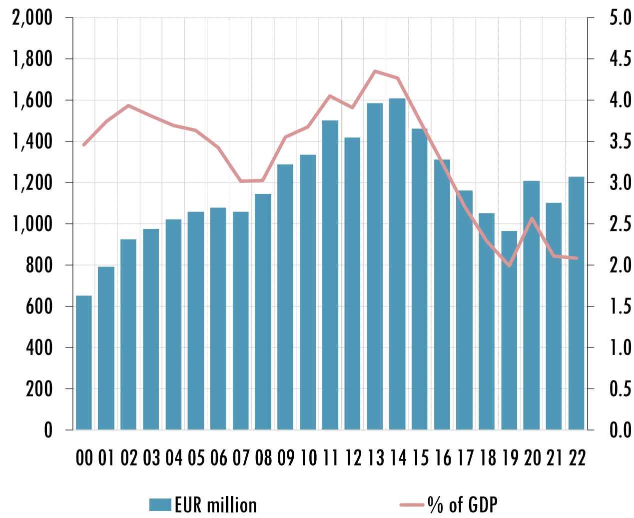
The growth rate of the expenditure of the Pension and Disability Insurance Institute of Slovenia (ZPIZ) increased last year to 8.2% (5.2% in 2021), which, with a practically unchanged number of beneficiaries, was mainly a result of higher pensions. These were higher due to the extraordinary indexation under the Act Amending the Pension and Disability Insurance Act (ZPIZ-2L) (a EUR 145 million expenditure impact on an annual basis), the ordinary indexation carried out in January (4.4% or an approximately EUR 270 million expenditure impact on an annual basis), and the

Figure 1.13: Old-age pensions*



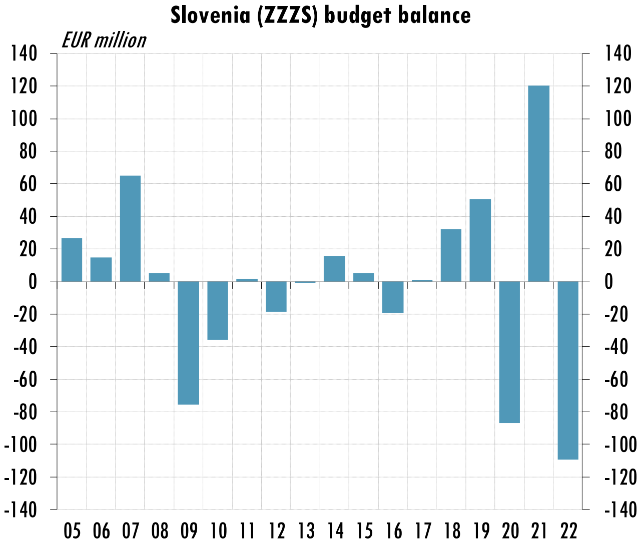
*Source: Pension and Disability Insurance Fund of Slovenia (ZPIZ), MoF, FC calculations. Note: * Old-age pension beneficiaries represented 75 % of all beneficiaries last year, while volume of old-age pension expenditure represented 81% of all ZPIZ pension expenditure.*

Figure 1.14: Pension and Disability Insurance Fund of Slovenia (ZPIZ) - state budget funding



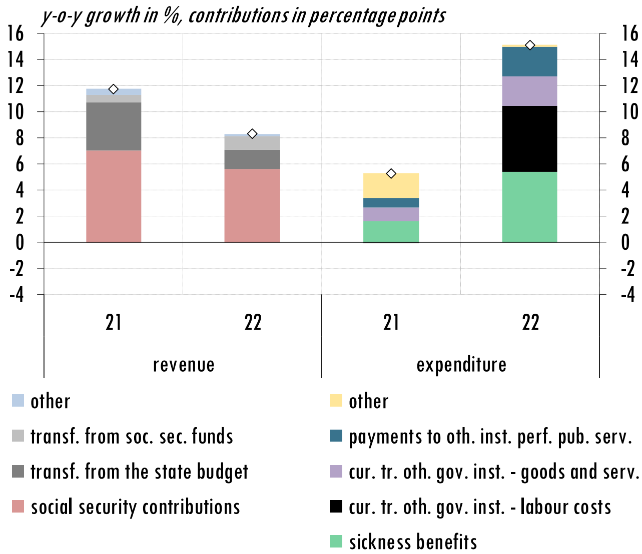
Source: MoF, SORS, IMAD, FC calculations.

Figure 1.15: Health Insurance Institute of the Republic of Slovenia (ZZZS) budget balance



Source: MoF.

Figure 1.16: ZZZS revenue and expenditure



Source: MoF, FC calculations.

4.5% extraordinary pension increase in November and December last year (a total of EUR 43 million).[23] In the past three years, the total pension expenditure increased by EUR 1 billion or 21.5%. While the growth is similar to the cumulative increase in nominal GDP over the period, the share of pension expenditure (9.6%) has remained unchanged. The real purchasing power of pensions (excluding supplements), however, has increased over the past three years, as the increase in all types of pensions[24] was higher than cumulative inflation, which stood at 10.9%. Given the slowdown in wage growth (which is largely due to lower COVID-related allowances), the growth in social contribution revenue (7.2%) slowed down last year, and the total transfer from the state budget to the Pension and Disability Insurance Institute of Slovenia (ZPIZ) increased by EUR 126 million to EUR 1.2 billion, representing 2.1% of GDP. This already points to increasing risks related to the sustainability of social protection systems, even before the expected major effects of demographic change on public finances.

The Health Insurance Institute of Slovenia (ZZZS) closed 2022 with the highest deficit ever (EUR 109 million) due to expenditure growth (15.1%) around three times higher than the previous year, and the concurrent slowdown in revenue growth (8.3%). The increase in expenditure growth was mainly the result of higher transfers for labour costs to public institutions and a notable increase in sickness benefits. The latter is also the result of the implementation of the Act Amending the Health Care and Health Insurance Act (ZZVZZ-R), which shortened the period for the payment of sick pay by employers from 30 to 20 days. There was a substantial increase in sickness benefit expenditure already before the aforementioned amendment and last year it represented 16.9% of total expenditure of the Health Insurance Institute of Slovenia (ZZZS), which is almost 7.4 pp above the 2014 level, i.e. before the onset of the rapid growth. The growth in expenditure on transfers to entities other than budget users also increased considerably last year. In addition to sickness benefits, this part of the Health Insurance Institute's expenditure experienced the highest increase over an extended period of time. Last year's lower revenue growth was largely due to the slower growth of social contribution payments (including due to lower allowances paid in the public sector). The growth of transfers from the state budget was also lower than the year before. The state budget has become an increasingly important source of the health insurance fund's financing, and its share in revenue (7.7%) last year more than doubled compared to the year before the onset of the epidemic.

Last year, municipal budget accounts recorded the highest deficit after 2010 (EUR 102 million). The revenue growth increased (from 7.3% in 2021 to 11.4%), but much less than expenditure growth (from 6.9% to 17.6%). The increase in the lump sum funding resulted in an increase of the growth in income tax revenue as the primary source of municipal budget revenue. Higher growth in total revenue than the year before was again also due to developments in the property market. Namely, revenue from real property taxes, real property transaction taxes and community infrastructure contributions increased by 16.4%. Another factor contributing to increased revenue growth was much higher revenue from received donations. The growth of transfers from the state budget stabilised somewhat compared to the previous year, but remained high and was mainly the result of higher transfers for investments and funds provided under the Municipalities' Financial Burden Reduction Act adopted in 2020. The latter provides for additional resources to balance the development of municipalities in the amount of 6% of the total appropriate expenditure of municipalities. Around two thirds of the growth

[23] Two additional amendments to the Pension and Disability Insurance Act (ZPIZ-2) were adopted, which, according to the Pension and Disability Insurance Institute of Slovenia, have an annual effect of EUR 16 million.

[24] The average old-age pension, which represents the largest share of expenditure, was on average 18.6% higher last year than in 2019. During this period, the average disability pension increased by 19.3%, while survivor's and widow's pensions increased by 16.3%.

Figure 1.17: Local government budget balance

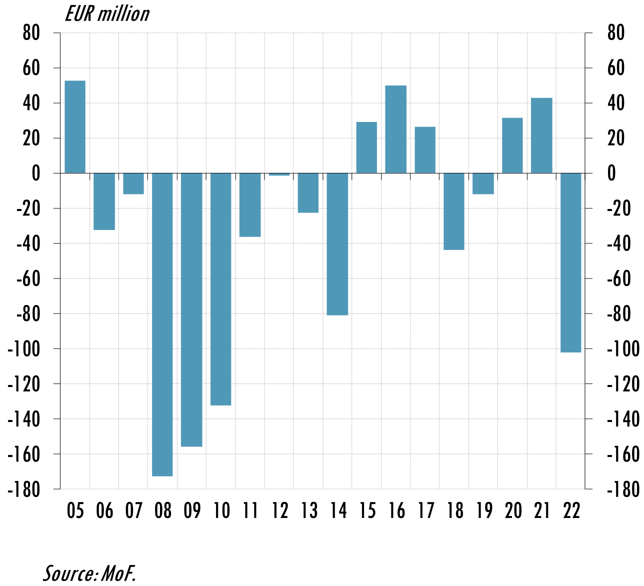
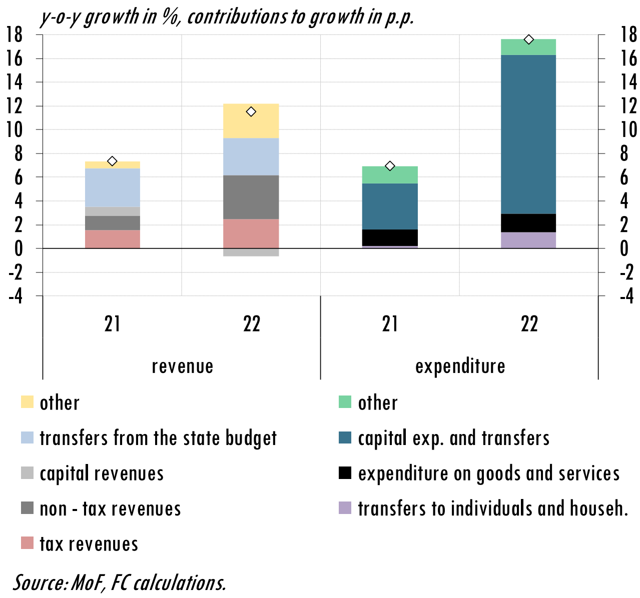


Figure 1.18: Revenue and expenditure of local government



in expenditure, which was the highest since 2008, was mainly due to stronger investment activity, which increased by more than a third. Transfers to individuals and households also increased more than in the previous year, mainly for payments of the difference between kindergarten programme prices and parents' payments, and for home-to-school transport subsidies.

1.4 General government debt

General government gross debt declined to 69.9% of GDP last year (EUR 41.2 billion) thus exceeding the pre-crisis level by 4.5 pp of GDP. Last year's reduction in the gross debt ratio (by 4.5 pp of GDP) was mainly driven by stronger inflation and thus also to a significant extent by high nominal GDP growth, which together more than compensated for the further deterioration in the

Figure 1.19: General government debt

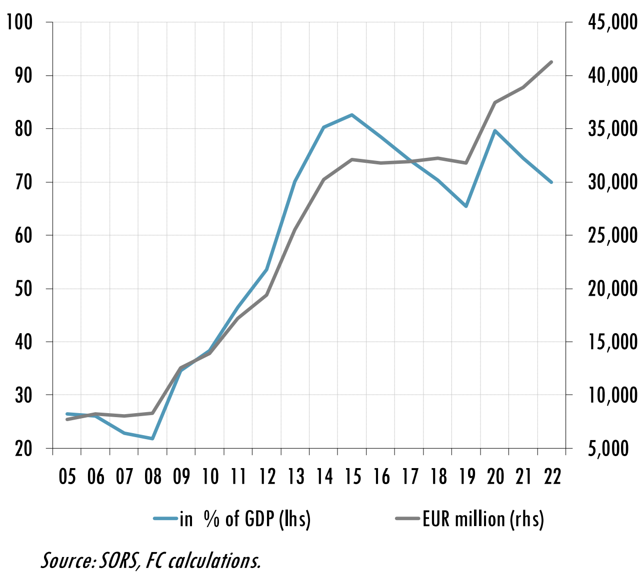


Figure 1.20: Change in general government debt

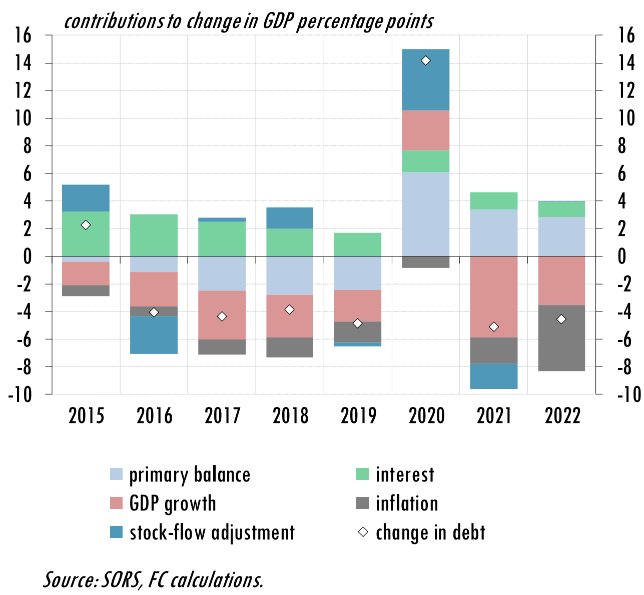
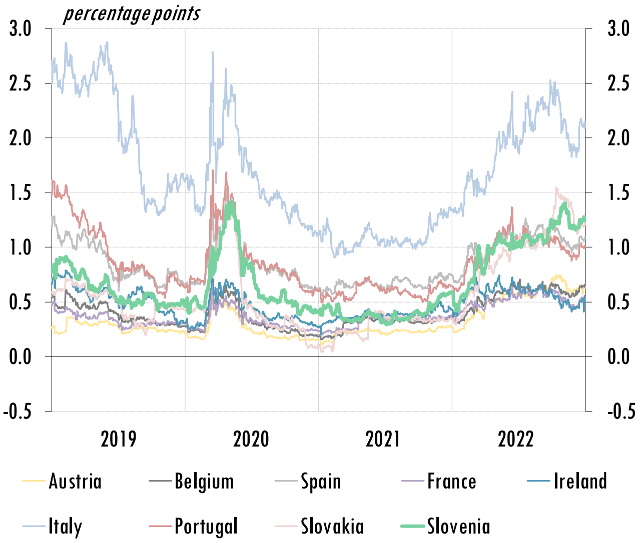
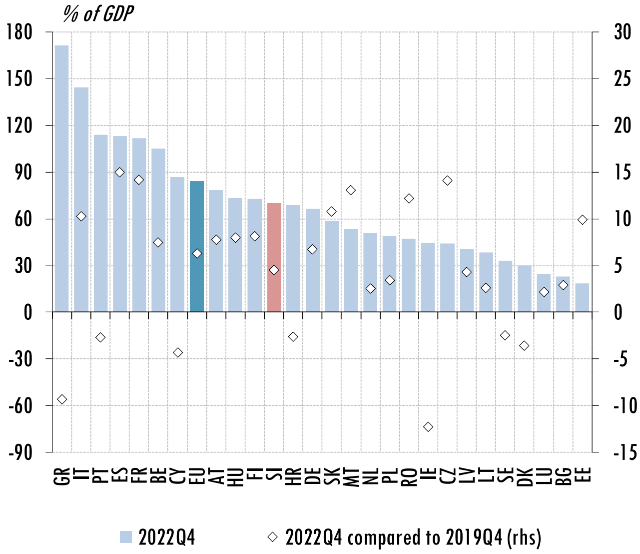


Figure 1.21: Reference 10-year government bond spreads against benchmark German bond



Source: Bloomberg, FC calculations.

Figure 1.22: Consolidated general government gross debt



Source: Eurostat, FC calculations.

primary balance. Last year's decline in the debt ratio was slightly higher than the EU-27 average, while the increase from the 2019 pre-crisis level was slightly lower than the EU-27 average (by 1.8 pp of GDP). The financing conditions of the government tightened last year mainly as a result of the ECB's changed policy, higher inflation expectations and the required inflation risk premium. The required yields on euro area countries' long-term bonds increased throughout 2022, for Slovenia by 210 bp on yearly average (for Germany 150 bp). The maturity distribution of debt liabilities remains favourable, as at the end of 2022 the weighted average time to maturity of the debt exceeded 10 years. At the same time, the Treasury, by implementing its hedging instrument since 2018, limits the impact of interest rate increases on the interest cost of debt. At the end of 2022, all three leading rating agencies confirmed a stable outlook for the Republic of Slovenia's debt. The liquidity position of the state budget improved further last year. The balance in the Treasury Single Account thus stood at the end of last year at EUR 7.7 billion or 13.0% of GDP, which was EUR 1.9 billion higher than at the end of 2021.

2. Compliance with the fiscal rules in 2022

In a period of exceptional circumstances due to increased uncertainty in the calculation of key input variables, the FC provides only indicative quantitative assessments of compliance with fiscal rules and puts greater emphasis on qualitative assessment.[25] Since the application of exceptional circumstances in March 2020, the FC has provided quantitative assessments of compliance with fiscal rules only indicatively, in the case of both ex ante and ex post assessments of budgetary documents.[26] The key factor behind the preparation of a purely indicative assessment of compliance with the fiscal rules is the uncertainty related to the identification of the cyclical position of the economy, which is determined on the basis of an estimate of the output gap. In fact, in times of heightened uncertainty, the variability of output gap estimates is even higher than usual.[27] In times of exceptional circumstances, the consideration of the fiscal implications of anti-crisis measures as one-off effects also plays an important role in making conclusions on compliance with fiscal rules. Such an orientation allows for a clearer assessment of the actual orientation of fiscal policy and its implications for medium-term balance, assuming that the anti-crisis measures are in fact designed to cope with exceptional circumstances. Although in the current circumstances more emphasis is being placed on qualitative assessment, this too is inevitably based to some extent on quantitative indicators. These require, inter alia, the determination, on the basis of domestic legislation, even in times of the application of exceptional circumstances, of whether the actual volume of general government expenditure corresponded to the last applicable ceiling set by the revision of the framework under Article 13 of the FRA.

The outturn for general government expenditure last year was below the level set by the last revision of the framework in September last year, which, however, was considered by the FC to be too high. The Framework Decrees relating to 2022 were adopted in April 2019 and April 2021 and amended three times. Between September 2021 and September last year alone, the general government expenditure ceiling was increased by a total of EUR 1,275 million. In autumn last year, when assessing the latest revision of the framework, the FC warned that the general government expenditure target was too high.[28] In 2022 however, the expenditure outturn was around EUR 550 million lower than the last applicable framework. This was also the reason why the deficit was lower

Table 2.1: Frameworks for drawing up budgets for 2022 and outturn (EUR million)

	general government		state budget		local govt.	pension fund	health fund
	expenditure	balance (GDP %)	expenditure	balance (GDP %)	expenditure	expenditure	expenditure
Apr.19	23,000	1.2	10,705	1.0	2,430	6,530	3,725
Nov.20	24,950	-4.6	12,650	-3.2			
Apr.21	25,040	-5.7	13,300	-4.9	2,405	6,300	3,720
Sep.21	26,105	-5.5	13,950	-4.6	2,494	6,480	
Sep.22	27,380	-3.9	14,580	-3.6	2,795	6,740	4,100
outturn	**26,828**	**-3.0**	**13,709**	**-2.3**	**2,888**	**6,715**	**4,050**
outturn-valid framework (Sep.22)	*-552*	*0.9*	*-871*	*1.3*	*93*	*-25*	*-50*

Source: MoF, OG RS, SORS, FC calculations.

[25] At the time of the activation of the general escape clause, a similar approach was used by the EC, which, however, in the meantime started to use additional or new quantitative indicators to assess the fiscal policy stance.

[26] Fiscal compliance assessments are available at https://www.fs-rs.si/publications/assessments-of-compliance-with-fiscal-rules/.

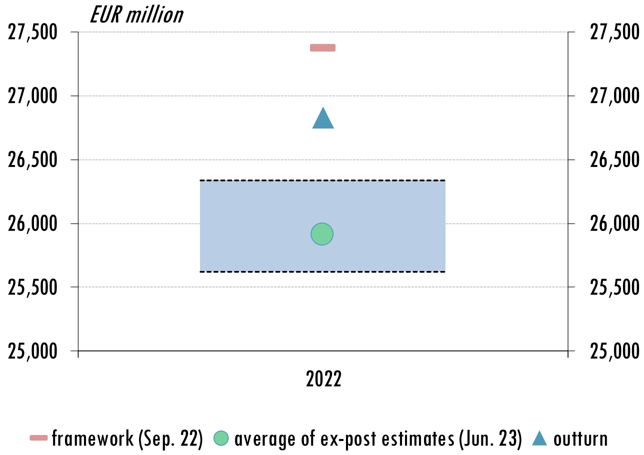
[27] For an analysis of the uncertainty of output gap estimates in the context of the current crisis in Slovenia, see Box 1.1 in Fiscal Council (2020a) and Chapter 1.1. In fact, already since its inception, the FC has sought to reduce this uncertainty by using a set of nine output gap estimates (Fiscal Council, 2018). See also Figure 1.3.

[28] Fiscal Council (2022).

than expected at the time of the last revision of the framework (by -0.9 pp of GDP), while the actual level of revenue was lower than expected at the time of the revision of the framework, despite higher nominal GDP growth. Also the state budget expenditure outturn was lower last year than foreseen in the last revision of the framework in September last year (by EUR 871 million), which is in line with the FC's expectations at the time of that assessment. The expenditure of the Pension and Disability Insurance Institute of Slovenia (ZPIZ) and the Health Insurance Institute of Slovenia (ZZZS) was also lower than the last revision of the framework, while the expenditure of the municipal budgets was again higher than the last revision of the framework (by EUR 93 million). The frequent overspending of municipalities against the limits set by the framework is an indication of the lack of control over the spending of local authorities.

Despite a lower outturn last year than the last applicable framework, general government expenditure was significantly higher than the current estimate of the expenditure ceiling. The ex post assessment of the expenditure ceiling has taken into account currently available information on the variables involved in the calculation, notably the estimate of the output gap and one-off effects. As the level of GDP in 2022 was above the level of potential output according to all currently available estimates, the formula set out in paragraph four of Article 3 of the FRA has been applied. The currently available estimates of the output gap thus show that last year, according to all nine

Figure 2.1: Maximum level of expenditures of the general government



Note: The blue field denotes the zone between the lowest and highest calculated maximum permitted expenditure estimated ex-post and based on currently available data.
Source: SORS, MoF, FC calculations.

Table 2.2: Deviation of expenditure outturn from maximum expenditure based of various output gap estimates

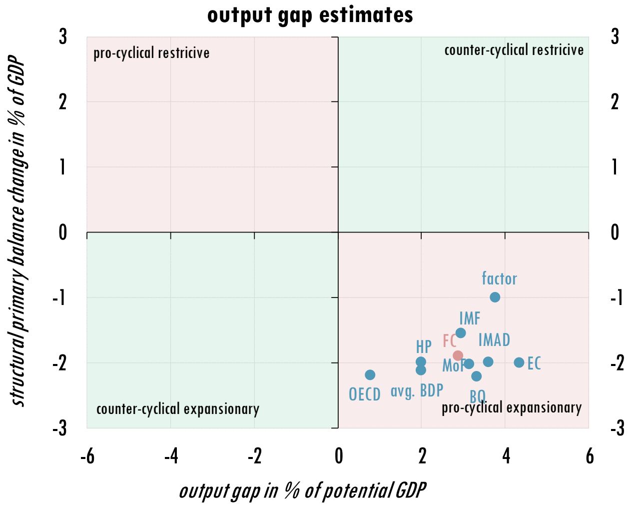
outturn	**FC (average of all)**	MoF	IMAD	EC	IMF	OECD	HP	avg. BDP	factor	BQ
26,828	**25,914**	25,732	25,755	25,749	26,012	26,195	25,915	25,912	26,339	25,622
difference	***914***	*1,096*	*1,073*	*1,080*	*816*	*633*	*913*	*916*	*490*	*1,207*
output gap	***2.9***	*3.1*	*3.6*	*4.3*	*2.9*	*1.0*	*2.0*	*2.0*	*3.8*	*3.3*

Source: EC, IMF, MoF, OECD, SORS, IMAD, FC estimates and calculations. Note: For more details on calculation of output gap estimates used by the Fiscal Council, see Fiscal Council (2018, pp. 23–26). In EUR million, except output gap in % of potential GDP.

estimates of the output gap used by the FC, government expenditure outturn was higher than allowed by approximately EUR 900 million on average. In addition to a more positive current estimate of the output gap than in the autumn, the actual nominal fiscal aggregates outturn also deviated from the projections at that time. General government revenue was actually lower last year than the autumn projections, despite higher than forecasted economic growth. The effect of one-off expenditure, including measures to cope with the impact of the epidemic and high cost of living, was slightly lower than that which formed the basis for setting the expenditure ceiling in September last year. In line with the FC's expectations, the lower level of expenditure compared to the autumn projections was mainly due to capital spending, which confirms the FC's assessment that budgeting remains flawed.

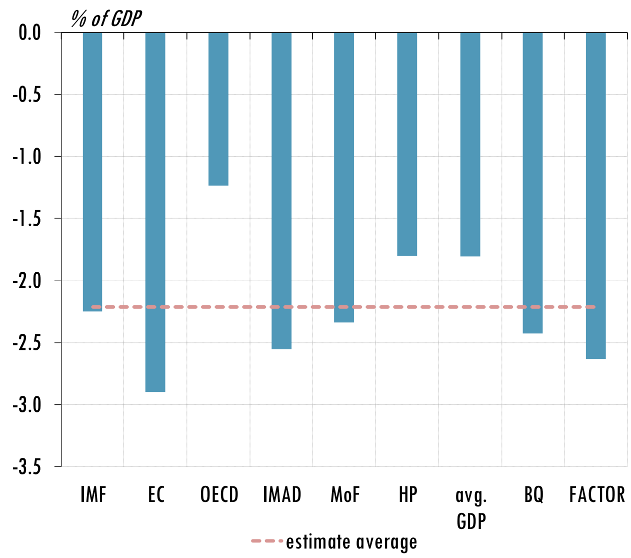
The fiscal policy stance was expansionary in 2022, which was inappropriate in favourable cyclical conditions, predominantly due to the non-adjustment of expenditure growth to the

Figure 2.2: Fiscal policy stance in 2022 according to various output gap estimates



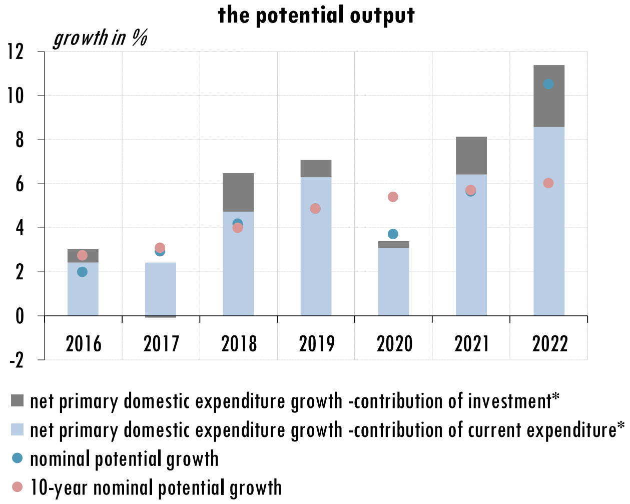
Source: SORS, MoF, FC estimates. Note: Estimates of fiscal policy stance based on various estimates of output gap used by the Fiscal Council are presented.

Figure 2.3: Structural balance for 2022, calculated based on various output gap estimates



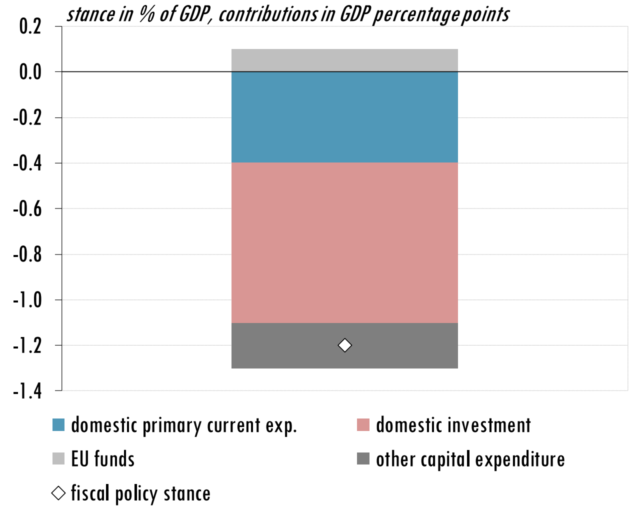
Source: EC, IMF, MoF, OECD, SORS, IMAD, FC estimates and calculations.

Figure 2.4: Net primary domestic expenditure and the potential output



*Source: SORS, MoF, IMAD, FC calculations. Note: *total expenditure excluding interest, cyclical unemployment benefit expenditure, discretionary measures on revenue and expenditure side and expenditure matched by EU funds revenue. One-off measures, including COVID and inflation mitigation expenditures, are also excluded.*

Figure 2.5: Fiscal policy stance indicator for 2022 according to EC calculations*



*Source: European Commission. Note: * Negative sign denotes expansionary fiscal policy and vice versa.*

Table 2.3: Compliance with fiscal rules in 2022

Macroeconomic variables		2022
Real GDP growth (%)	IMAD	5.4
GDP nominal (EUR million)	IMAD	58,989
GDP deflator growth (%)	IMAD	7.2
Nominal potential GDP growth (%)	IMAD	10.5
Medium-term nominal potential GDP growth BDP (%)[1]	IMAD	6.0
Output gap (in % of potential GDP)[2]	FC	2.9
National fiscal rule		
General government expenditure (EUR million)	MoF	26,828
National rule - maximum general government expenditure (EUR million)[3]	FC	25,914
Framework for the preparation of the general goverment budgets (EUR million) Sep. 22	MoF	27,380
EU fiscal rules		
General government balance (% of GDP)	MoF	**-3.0**
Maastricht criterium (% of GDP)	EC	-3.0
Gross general government debt (% of GDP)	MoF	**69.9**
Maastricht criterium (% of GDP)	EC	60.0
Permitted debt level according to EU rules (% of GDP):		
- 1/20th rule	FC	73.4
- backward-looking benchmark	FC	72.0
- forward-looking benchmark	FC	69.9
- cyclically-adjusted debt reduction benchmark	FC	70.6
Structural balance (% of GDP)	FC	-2.2
Medium term objective according to EU rules - MTO (% of GDP)	EC	-0.25
Change in structural balance (% of GDP)	FC	-1.7
Required annual fiscal adjustment (% of GDP)[4]	FC	...
EU expenditure benchmark - net expenditure nominal growth (%)	FC	**6.1**
Permitted nominal annual net expenditure growth (%)	FC	10.0
EU expenditure benchmark - net expenditure nominal growth excl. one-offs (%)	FC	**11.9**
Permitted nominal annual net expenditure growth excluding one-offs (%)	FC	10.0
Alternative indicators		
Net primary domestic expenditure growth (%)[5]	FS	11.4
Fiscal stance (% of GDP)[6]	EC	-1.2

Source: SORS, MoF, IMAD, EC, OG RS, FC calculations.

[1] 10-year average, which takes into account previous five years, current year and next 4 years.

[2] Average of 9 estimates used by the FC.

[3] Taking into account 2022 revenue outturn and own estimate based on 9 output gap estimates used by the FC.

[4] In 2022 structural effort is not required due to general escape clause.

[5] According to EC proposal this would be a key indicator for monitoring the sustainability of public finances in the changed system of economic governance in the EU. Total expenditure excluding interest, cyclical unemployment expenditure, discretionary measures on the revenue side and expenditures, financed by European funds. One-offs including COVID related expenditure and inflation mitigation measures are also excluded.

[6] Negative sign denotes expansive fiscal policy and vice versa. The indicator is constructed from the contribution of EU funds, domestic primary current and capital (including investment) expenditures.

significant decline in the revenue-to-GDP ratio. Fiscal conditions continued to be uncertain last year and, in addition to the anti-crisis measures taken to soften the impact of the epidemic and high cost of living, were characterised by discretionary measures on the revenue and expenditure side, which worsened the fiscal position. While the total headline deficit declined last year as a result of a much smaller scale of intervention measures than in 2021, fiscal developments excluding the impact of the anti-crisis measures deteriorated markedly. This was predominantly driven by the largest decline in the revenue-to-GDP ratio (-2.4 pp of GDP) since data have been available. In the given economic environment, which remained favourable despite uncertainties in the context of continuing cyclical momentum after the epidemic subsided, this was reflected in a pro-cyclical expansionary fiscal policy stance in the absence of a corresponding adjustment in spending. In the favourable cyclical situation, the expenditure side orientation was inappropriate, in particular due to the further strengthening of the country's investment activity which was financed exclusively by domestic resources, despite the high volume of available EU grants.[29] At the same time, high inflation has further boosted the growth of government current spending. Although largely neutral by various indicators last year, it should have been adjusted more appropriately in the light of other developments in the general government finances, at least in the part not related to mitigating the impact of high inflation.

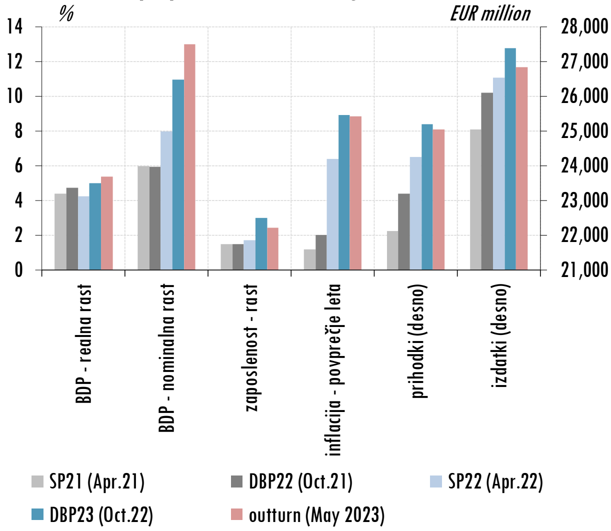
The qualitative assessment of the inadequacy of fiscal policy in 2022 is also confirmed by the indicative quantitative assessments, according to which most fiscal rules were not complied with last year. Despite the decline, the headline deficit and debt-to-GDP ratios continued to exceed the Maastricht criteria last year. According to all available current estimates of the output gap, the structural deficit was below the medium-term fiscal objective under EU rules,[30] while the increase in the structural (primary) deficit was the largest since 2008 according to current estimates. The excessive level of government expenditure is indicated by both the calculation of the growth of net expenditure under the current EU rule as well as under the proposed new rule, as the growth of net primary domestic expenditure exceeded the estimated growth of both current and medium-term economic potential last year. The expansionary fiscal policy stance of last year is also indicated by an indicator developed by the European Commission at the time of the epidemic. Given the decline in the revenue-to-GDP ratio last year and the favourable cyclical position of the economy, it would have been more appropriate last year for fiscal policy to have been somewhat restrictive according to this indicator. Thus, in 2022, only the reduction in the debt ratio was in compliance with the requirements of the existing fiscal rules.

[29] The general government's investment-to-GDP ratio increased by a further 0.5 pp last year to 5.2% of GDP. At the same time, the share financed by European funds remained unchanged compared to 2021 (0.6 pp of GDP).

[30] The EU rules-based medium-term fiscal objective (MTO) for Slovenia over the 2020–2022 period was set as a structural balance of -0.25% of GDP (EC, 2019).

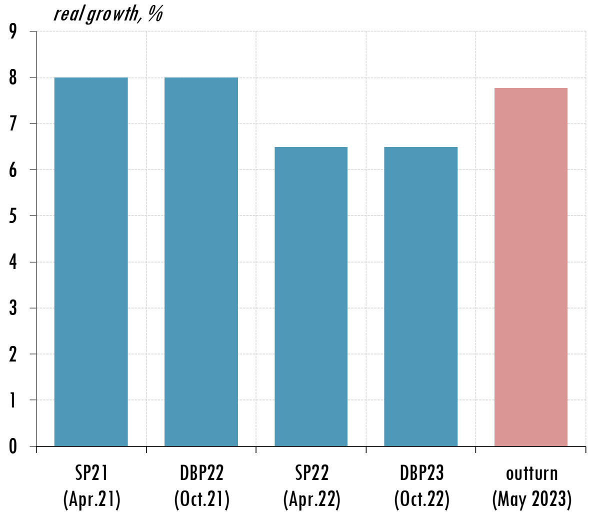
Annex 3.1 Changes in the macroeconomic and fiscal projections for 2022

Figure 3.1: Forecasts for 2022 available at the time of preparation of the budget documents



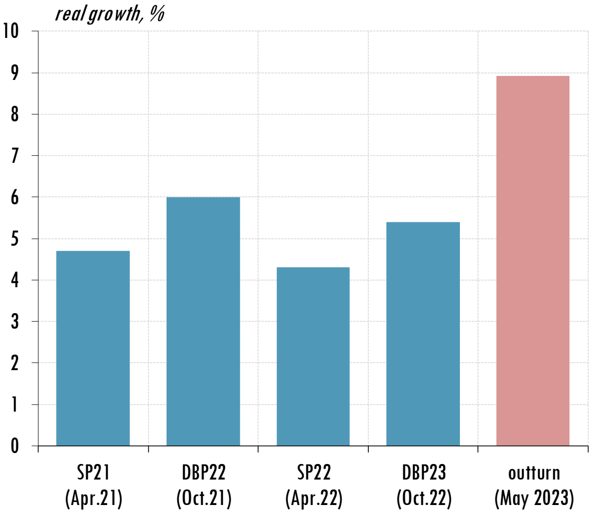
Source: forecasts: IMAD, MoF; outturn: SORS.

Figure 3.2: Changes in the 2022 forecast – gross fixed capital formation



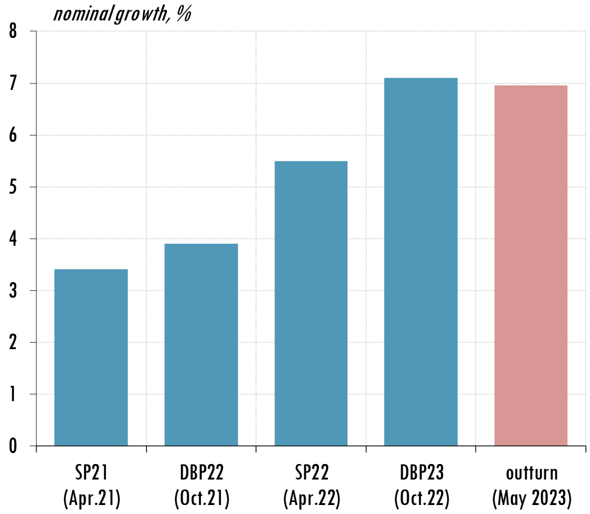
Source: SORS, forecasts IMAD.

Figure 3.3: Changes in the 2022 forecast – private consumption



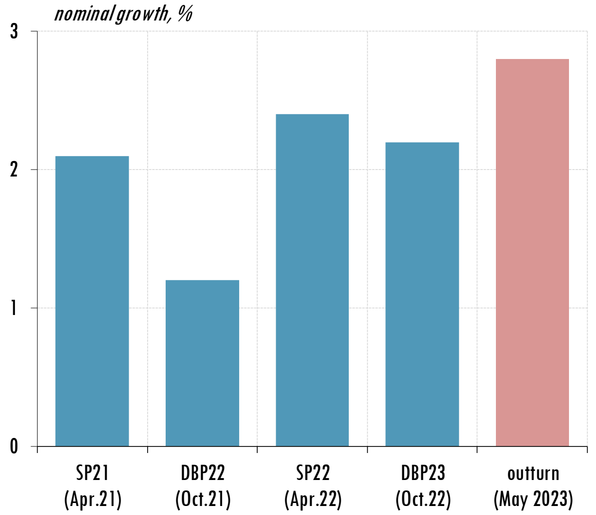
Source: SORS, forecasts IMAD.

Figure 3.4: Changes in the 2022 forecast – compensation of employees



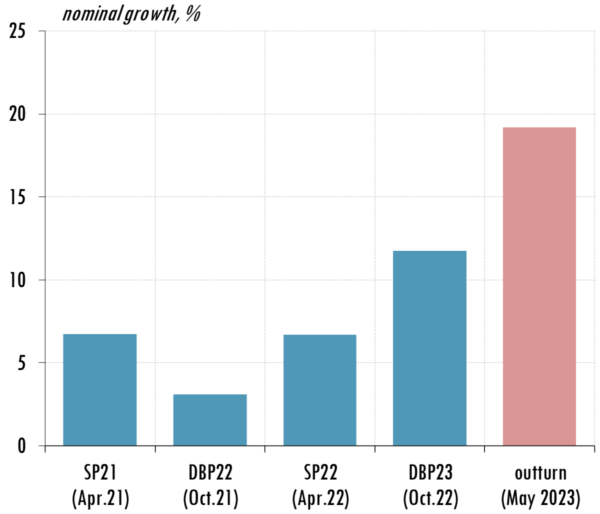
Source: SORS, forecasts IMAD.

Figure 3.5: Changes in the 2022 forecast – gross wages per employee



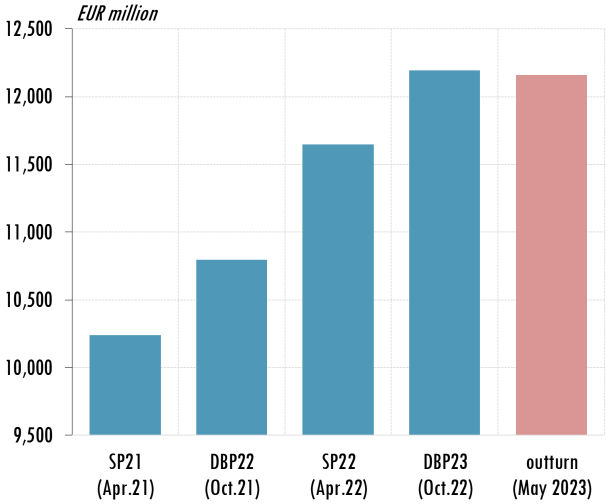
Vir: SURS, napovedi UMAR.

Figure 3.6: Changes in the 2022 forecast – gross operating surplus/mixed income



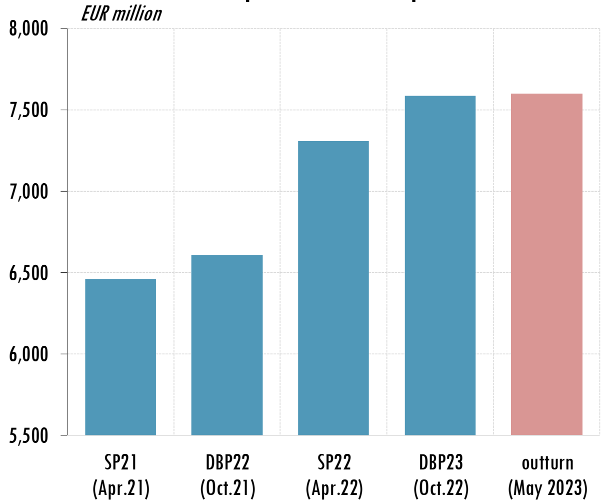
Source: SORS, forecasts IMAD.

Figure 3.7: Changes in the 2022 forecast – total taxes



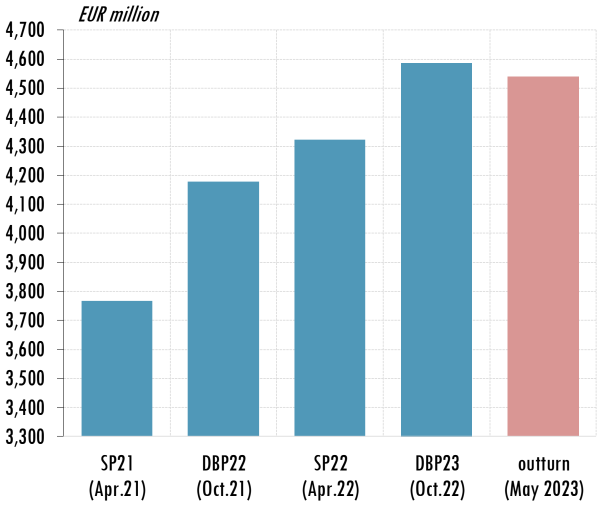
Source: SORS, forecasts MoF.

Figure 3.8: Changes in the 2022 forecast – taxes on production and imports



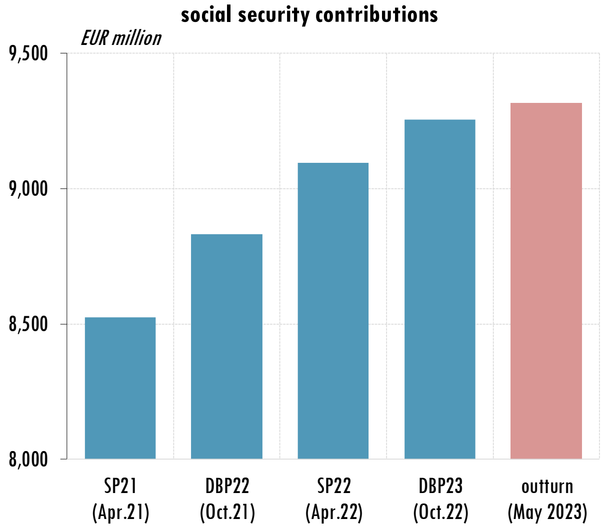
Source: SORS, forecasts MoF.

Figure 3.9: Changes in the 2022 forecast – current taxes on income and wealth



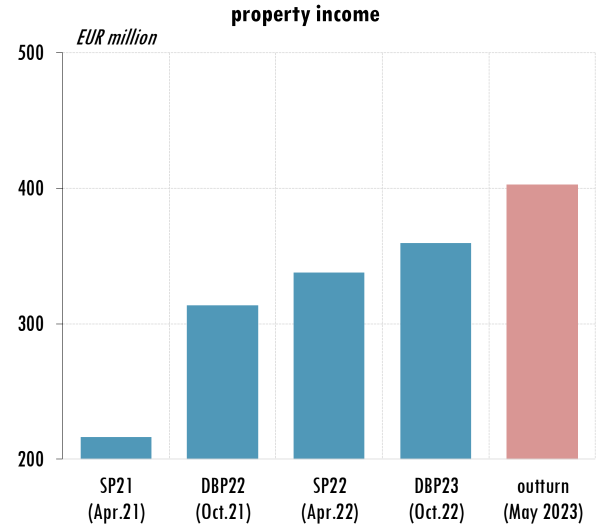
Source: SORS, forecasts MoF.

Figure 3.10: Changes in the 2022 forecast – social security contributions



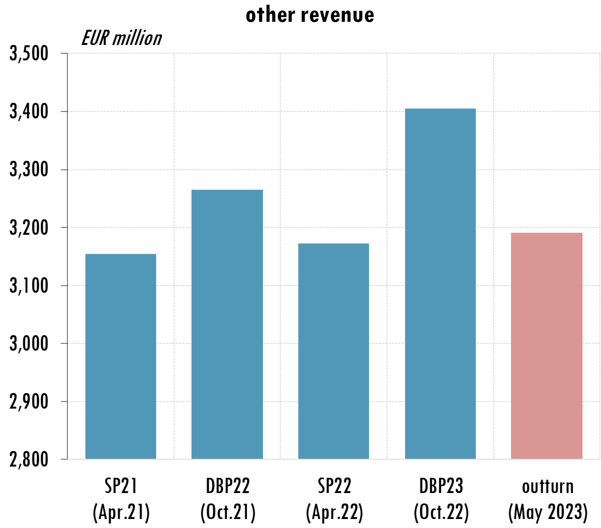
Source: SORS, forecasts MoF.

Figure 3.11: Changes in the 2022 forecast – property income



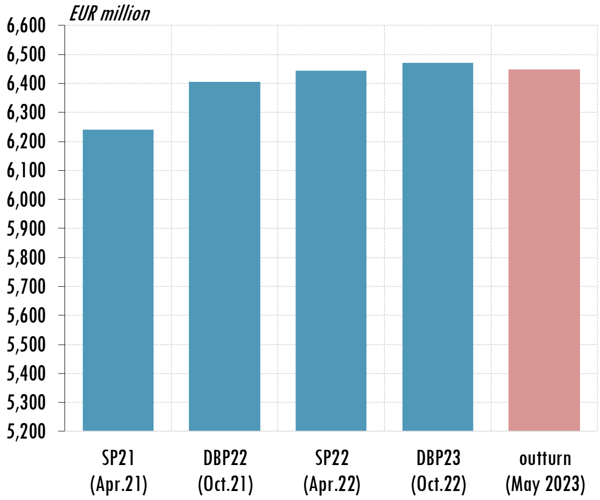
Source: SORS, forecasts MoF.

Figure 3.12: Changes in the 2022 forecast – other revenue



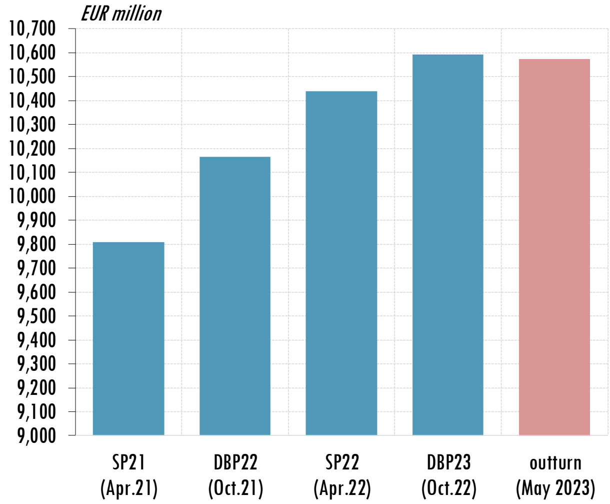
Source: SORS, forecasts MoF.

Figure 3.13: Changes in the 2022 forecast – compensation of employees expenditure



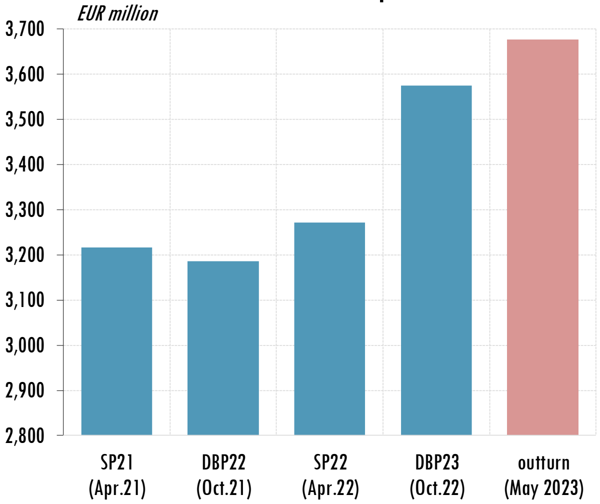
Source: SORS, forecasts MoF.

Figure 3.14: Changes in the 2022 forecast – social benefits



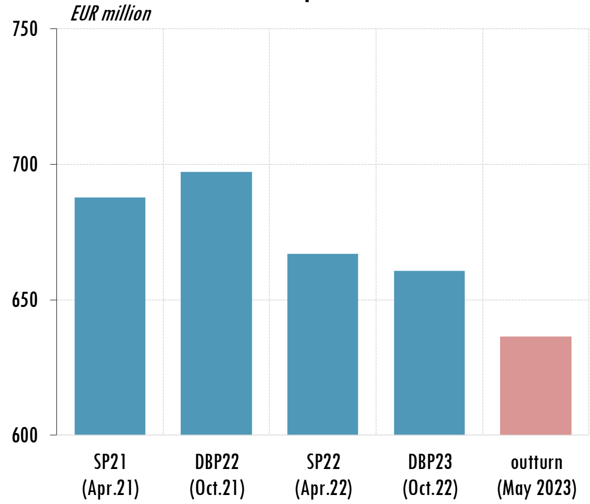
Source: SORS, forecasts MoF.

Figure 3.15: Changes in the 2022 forecast – intermediate consumption



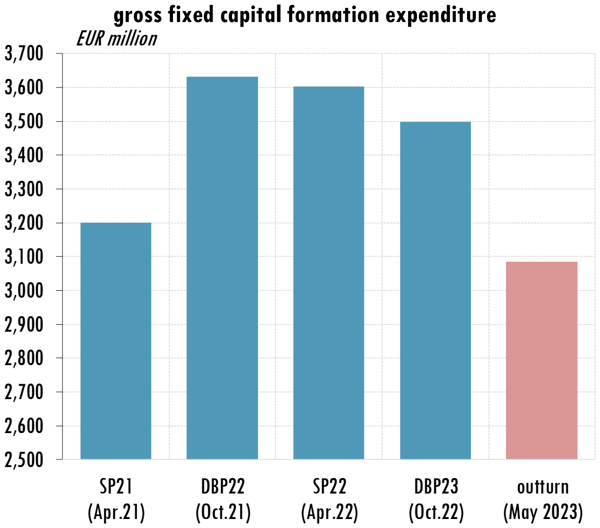
Source: SORS, forecasts MoF.

Figure 3.16: Changes in the 2022 forecast – interest expenditure



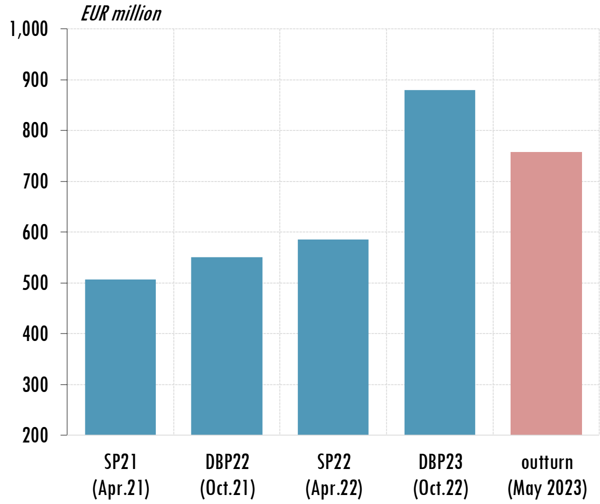
Source: SORS, forecasts MoF.

Figure 3.17: Changes in the 2022 forecast – gross fixed capital formation expenditure



Source: SORS, forecasts MoF.

Figure 3.18: Changes in the 2022 forecast – subsidies



Source: SORS, forecasts MoF.

Literature

EC (2019). Vade Mecum on the Stability and Growth Pact, 2019 Edition. April. European Commission. Available at: https://economy-finance.ec.europa.eu/system/files/2019-04/ip101_en.pdf

EC (2021a). Communication on fiscal policy. March. European Commission. Available at: https://ec.europa.eu/info/sites/default/files/economy-finance/1_en_act_part1_v9.pdf

EC (2021b). European Semester Spring Package: Paving the way for a strong and sustainable recovery. June. European Commission. Available at: https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_21_2722/IP_21_2722_EN.pdf

Fiscal Council (2018). Report on the Fiscal Council's operations in 2017. May. Available at: https://www.fs-rs.si/wp-content/uploads/2018/05/Report-on-the-FC-operations-in-2017.pdf

Fiscal Council (2020a). Assessment of compliance of the general government budgets with the fiscal rules in 2019. June. Available at: https://www.fs-rs.si/wp-content/uploads/2020/06/Assessment.pdf

Fiscal Council (2021a). Fulfilment of conditions for the existence of exceptional circumstances in 2022. April. Available at: https://www.fs-rs.si/wp-content/uploads/2021/04/Exceptional_circumstances-_april2021_en.pdf

Fiscal Council (2021b). Fulfilment of conditions for the existence of exceptional circumstances in 2022. September. Available at: https://www.fs-rs.si/wp-content/uploads/2021/10/Exceptional-circumstances_September-2021.pdf

Fiscal Council (2021c). Assessment of budgetary documents for 2022 and 2023. October. Available at: https://www.fs-rs.si/wp-content/uploads/2021/10/Assessment.pdf

Fiscal Council (2022). Assessment of compliance of the Draft Revised Budget of the Republic of Slovenia for 2022 and of the Proposal for the Ordinance amending the Ordinance on the framework for preparing the general government budgets for the 2022–2024 period with the fiscal rules. September. Available at: https://www.fs-rs.si/wp-content/uploads/2022/10/Assessment.pdf

Government of the Republic of Slovenia (2022). Draft Budgetary Plan 2023. October. Available at: https://economy-finance.ec.europa.eu/system/files/2022-11/2023_dbp_si_en.pdf

OG RS (2019). Odlok o okviru za pripravo proračunov sektorja država za obdobje od 2020 do 2022. April. Official Gazette of the Republic of Slovenia. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2019-01-1197?sop=2019-01-1197 (Only in Slovene)

OG RS (2020). Odlok o spremembah Odloka o okviru za pripravo proračunov sektorja država za obdobje od 2020 do 2022. November. Official Gazette of the Republic of Slovenia. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2020-01-2923?sop=2020-01-2923 (Only in Slovene)

OG RS (2021a). Odlok o okviru za pripravo proračunov sektorja država za obdobje od 2022 do 2024. April. Official Gazette of the Republic of Slovenia, Available at https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-1352?sop=2021-01-1352 (only in Slovene)

OG RS (2021b). Odlok o spremembah Odloka o okviru za pripravo proračunov sektorja država za obdobje od 2022 do 2024. November. Official Gazette of the Republic of Slovenia. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2021-01-3596?sop=2021-01-3596 (Only in Slovene)

OG RS (2022). Odlok o spremembah Odloka o okviru za pripravo proračunov sektorja država za obdobje od 2022 do 2024. September. Official Gazette of the Republic of Slovenia. Available at: https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2022-01-2918?sop=2022-01-2918 (Only in Slovene)

SORS (2023a). Main aggregates of the general government (April EDP reporting), 2019–2022. March. Available at: https://www.stat.si/StatWeb/en/News/Index/11021

SORS (2023b). April excessive deficit procedure report, 2019–2022. April. Available at: https://www.stat.si/StatWeb/en/News/Index/11055