



REPUBLIC OF SLOVENIA
FISCAL COUNCIL

Monthly Information

May 2024

Key highlights¹

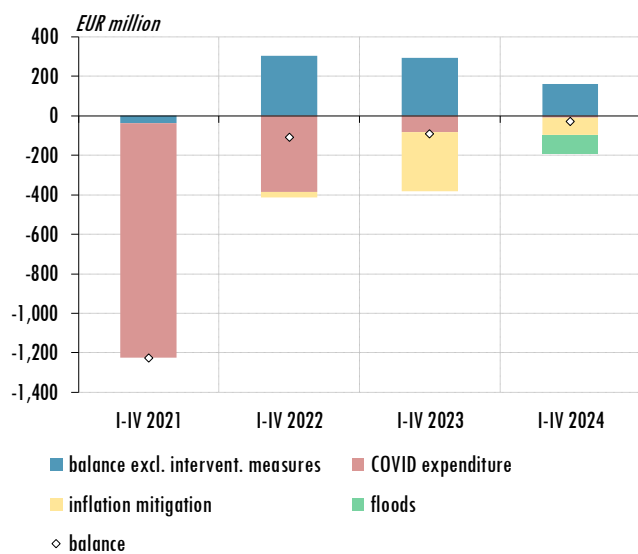
- According to preliminary data, the state budget, excluding the direct impact of intervention measures, recorded a surplus of EUR 162 million in the first four months of 2024, which was lower than in the same period last year (EUR 292 million).
- The growth of "core" revenue (excluding intervention measures) was slightly higher on average in the first four months of 2024 (5.3%) than in the same period last year (3.7%). The growth of "core" expenditure (8.8%) more than doubled in the first four months of 2024 relative to the same period last year (4.3%).
- The total volume of various intervention measures in the first four months of 2024 (EUR 191 million) was half of that in the same period last year (EUR 384 million).

¹ The Fiscal Council will continue to publish in its regular monthly publication an overview of the state budget outturn under the cash flow methodology and of measures related to COVID-19 and to mitigating the cost-of-living crisis, subject to the availability of such data in the future. All comments refer to data known on 6 May 2024.

State budget in January–April 2024²

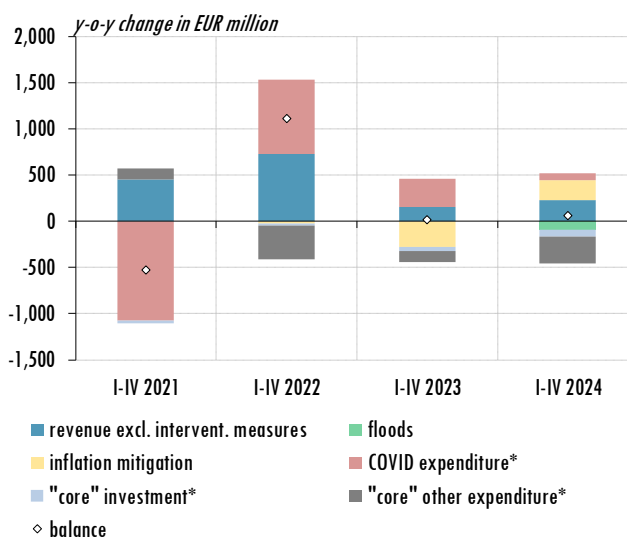
- According to preliminary data, the state budget recorded a deficit (EUR 29 million) in the first four months of 2024 but, excluding the direct impact of intervention measures, it recorded a surplus of EUR 162 million, which is EUR 130 million lower compared to the same period last year.
- The growth of "core" revenue (excluding intervention measures) was slightly higher in the first four months of 2024 (5.3%) than in the same period last year (3.7%); however, the structure changed significantly. The main contributor to the growth this year were higher corporate income tax revenue, driven by high growth in April, which was supported by the settlement of outstanding liabilities from the previous year. The impact of stronger year-on-year growth in

Figure 1: State budget balance



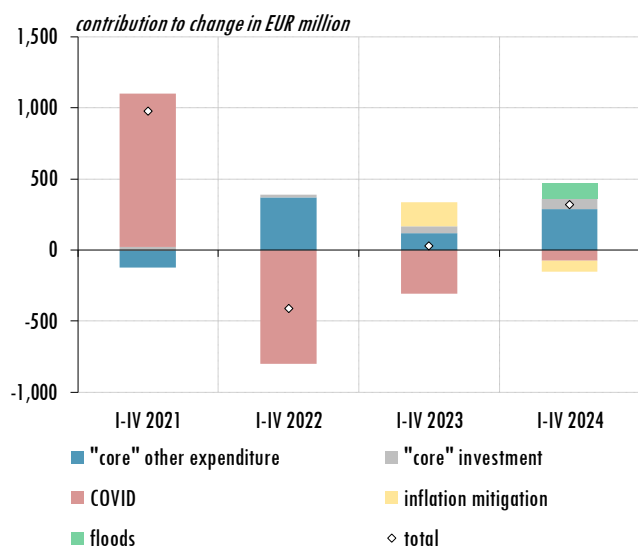
Source: MoF, FC calculations.

Figure 2: Factors of state budget balance change



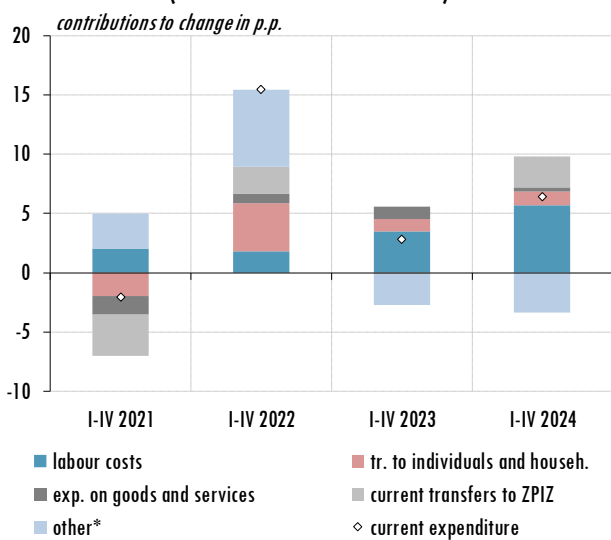
Source: MoF, FC calculations. *positive sign denotes a decrease, negative sign denotes an increase.

Figure 3: Structure of state budget expenditure growth



Source: MoF, FC calculations.

Figure 4: Current expenditure factors (excl. intervention measures)



Source: MoF, FC calculations. Notes: *subsidies, payments to the EU budget, current transfers to ZZSZ, other expenditure.

² The comments on the implementation of the state budget refer to the daily data available at: <https://proracun.gov.si/Public/BudgetCurrent> (Only in Slovene).

personal income tax revenue and higher non-tax revenue was also more significant. In contrast, VAT revenue growth slowed down and excise duties and EU funds were lower year-on-year.

- The growth of "core" expenditure (excluding intervention measures) was 8.8% and more than doubled relative to the same period last year (4.3%). The main contributor to the growth were labour costs due to the early payment of holiday allowance and the transfer to the Pension and Disability Insurance Institute of Slovenia (ZPIZ)³ due to the high regular pension indexation. The impact of higher investment spending and interest payments was also more significant.

Implementation of intervention measures in January–April 2024

- As part of intervention measures, a total of EUR 114 million was paid out in the first four months of 2024 for post-flood recovery, with a total of EUR 682 million since August 2023. A further EUR 87 million was paid out this year to ease the cost of living crisis, including EUR 78 million to compensate electricity suppliers. The latter represents a quarter of the total state budget expenditure of EUR 950 million to date to ease the cost of living crisis. A further EUR 9 million was paid out from the state budget for COVID-19-related measures this year, most of which was spent on vaccines and inoculations.

Table 2: State budget

EUR million, unless stated otherwise	I-IV 2023				I-IV 2024					I-IV 24/ I-IV 23, %		I-IV 24/ I-IV 23	
	total	COVID mitig.	infl. floods	excl. interv. measures	total	COVID mitig.	infl. floods	excl. interv. measures	total	excl. interv. measures	total	excl. interv. measures	
Revenue	4,236	-133		4,369	4,618		19	4,599	9.0	5.3	382	230	
VAT	1,644	-58		1,702	1,768			1,768	7.5	3.9	124	66	
Excise duties	505	-27		532	510			510	1.0	-4.1	5	-22	
Personal income tax	628			628	793			793	26.3	26.3	165	165	
Corporate income tax	412			412	664			664	61.2	61.2	252	252	
EU funds	396			396	238		9	229	-39.9	-42.1	-158	-166	
Non-tax	188			188	209			209	11.2	11.2	21	21	
Other revenue	463	-48		511	435		11	424	-6.0	-17.0	-28	-87	
Expenditure	4,328	81	169	4,077	4,647	9	87	114	4,436	7.4	8.8	319	359
Total labour costs	1,291	10	4	1,276	1,472	0		0	1,472	14.0	15.4	181	196
Transfers to individ. and hhs	658	4	25	628	684	2	0	14	669	4.1	6.5	27	41
Goods and services	372	4	2	366	454	2	4	71	377	21.9	3.1	81	11
Investment	268	9		259	337			6	331	25.9	27.8	69	72
Current transfers to ZPIZ	393			393	484				484	23.0	23.0	90	90
Subsidies	340	27	136	177	213	1	83	10	119	-37.4	-33.0	-127	-59
Interest	366			366	432				432	17.9	17.9	65	65
Payments to the EU budget	214			214	197				197	-8.1	-8.1	-17	-17
Other expenditure	425	27	1	397	374	4		14	356	-12.0	-10.2	-51	-40
Balance	-92	-81	-302	292	-29	-9	-87	-95	162			63	-130

Source: MoF, FC calculations.

³ Provisional data on the transfer to the Health Insurance Institute of Slovenia (ZZZS) have no longer been available since the beginning of last year, although, according to regular data, last year's transfer was record high and this year it is expected to increase by about one-third.