



REPUBLIC OF SLOVENIA
FISCAL COUNCIL

Monthly Information

March 2025

Key highlights¹

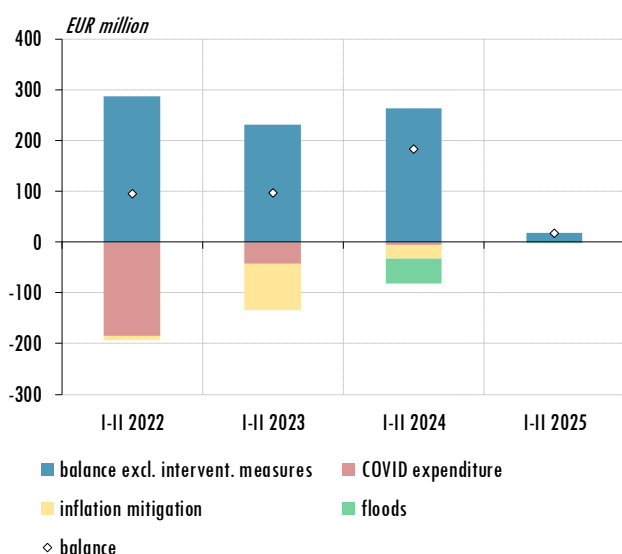
- According to preliminary data, the state budget had a modest surplus of EUR 17 million in the first two months of the year, down from EUR 182 million in the same period last year. For the full year 2025, the deficit is projected at EUR -1.9 billion.
- Revenue grew by 4.1% year-on-year in the period, half of last year's growth. Expenditure increased by almost 13%, three times more than last year.

¹ All comments pertain to data as at 4 March 2025.

State budget January–February 2025

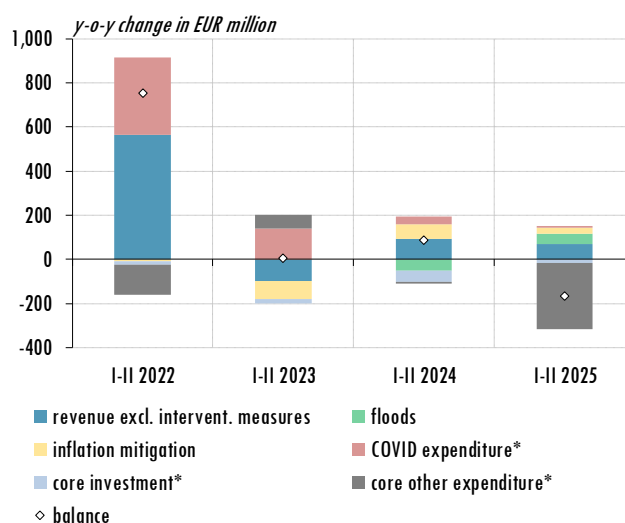
- According to preliminary data, the state budget had a surplus of EUR 17 million in the first two months of the year, similar to the surplus excluding the impact of the intervention measures. In the same period last year, the overall surplus was EUR 182 million, and EUR 264 million excluding the impact of the intervention measures.
- Revenues in the first two months of this year were up 4.1% year-on-year, half the growth of the same period last year. The growth is mainly due to higher corporate income tax revenues. Higher VAT revenues also contributed more visibly to growth, but their growth was less than half that of the same period last year. The slowdown in total revenue growth stems from lower growth in income tax revenue and an even deeper fall in revenue from EU funds than in the first two months of last year.²

Figure 1: State budget balance



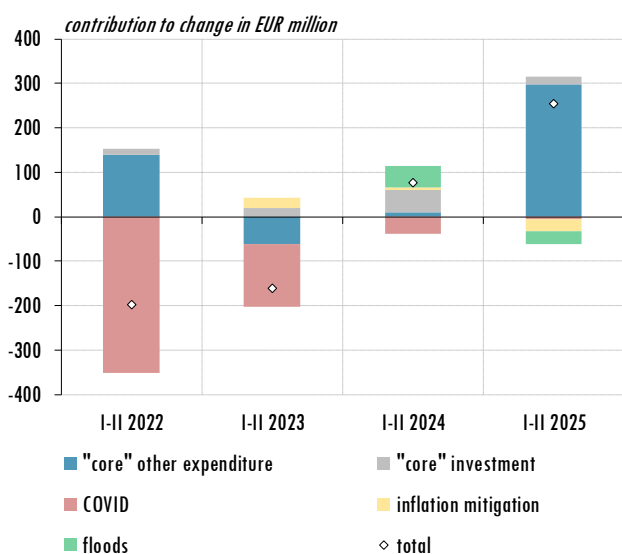
Source: MoF, FC calculations.

Figure 2: Factors of state budget balance change



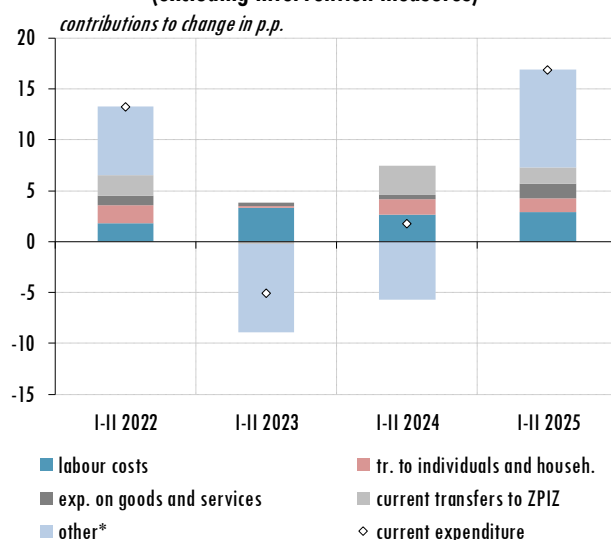
Source: MoF, FC calculations. *positive sign denotes a decrease, negative sign denotes an increase.

Figure 3: Structure of state budget expenditure growth



Source: MoF, FC calculations.

Figure 4: Current expenditure factors (excluding intervention measures)



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

² The drop is partly due to the base, as funds from the previous financial perspective were still received at the beginning of 2024.

- Expenditure was 12.9% higher year-on-year in the first two months of this year, three times higher than in the same period last year (4.0%). The main contributors to the higher growth compared to the same period last year were transfers to public service operators, due to the higher transfer for the operation of the regular public transport service and the introduction of the compensation for the Šoštanj Thermal Power Plant (EUR 34 million). Inflows to budgetary funds, in particular to the Reconstruction Fund, and subsidies to the agricultural sector were also higher than in the same period last year.³ Higher labour costs also contributed visibly to expenditure growth, but at the start of the wage reform their growth was still similar to the same period last year.
- After five years, intervention measures no longer have an impact on the state budget balance. The measures to mitigate the effects of the epidemic and the cost-of-living crisis have expired, while the post-flood reconstruction is almost exclusively financed from the Fund for the Reconstruction of Slovenia as of the beginning of this year.⁴ The dynamics of state revenue and expenditure will continue to be affected by the financing of the Fund for the Reconstruction of Slovenia. This is because earmarked revenue, which is provided for by law, is booked both on the revenue side and as an expenditure of the state budget when it is transferred to the Fund as its revenue. The actual outflows of the Fund for the Reconstruction of Slovenia in the first two months of this year amounted to EUR 20 million, almost entirely for relocation construction.

Table 1: State budget

<i>EUR million, unless stated otherwise</i>	I-II 2024					I-II 2025					I-II 25/ I-II 24, %		I-II 25/ I-II 24	
	total	COVID mitig.	infl. measures	floods interv.	excl. measures	total	COVID mitig.	infl. measures	floods interv.	excl. measures	total	excl. measures	total	excl. measures
Revenue	2,153	...	...	...	2,153	2,242	...	...	20	2,222	4.1	3.2	89	69
VAT	891	...	...	...	891	938	...	...	...	938	5.3	5.3	47	47
Excise duties	256	...	...	...	256	254	...	...	...	254	-0.8	-0.8	-2	-2
Personal income tax	359	...	...	...	359	367	...	...	...	367	2.3	2.3	8	8
Corporate income tax	208	...	...	...	208	279	...	...	20	259	33.9	24.3	71	51
EU funds	115	...	...	...	115	32	...	...	...	32	-71.7	-71.7	-82	-82
Non-tax	111	...	...	...	111	113	...	...	...	113	2.1	2.1	2	2
Other revenue	214	...	...	...	214	259	...	...	0	259	21.0	21.0	45	45
Expenditure	1,971	5	27	50	1,889	2,225	...	...	21	2,204	12.9	16.7	254	315
Total labour costs	692	...	...	0	692	740	...	...	0	740	7.0	7.0	49	49
Transfers to individ. and hhs	325	0	...	12	313	337	...	...	...	337	3.8	7.6	12	24
Goods and services	200	0	...	34	165	189	...	...	0	189	-5.2	14.1	-10	23
Investment	149	0	...	1	148	165	...	...	0	165	11.2	11.7	17	17
Current transfers to ZPIZ	250	...	...	...	250	278	...	...	...	278	11.0	11.0	28	28
Subsidies	94	1	27	1	66	131	...	...	0	131	39.0	98.2	37	65
Interest	48	...	...	...	48	60	...	...	...	60	23.5	23.5	11	11
Payments to the EU budget	95	...	...	...	95	119	...	...	...	119	26.0	26.0	25	25
Other expenditure	118	4	...	3	112	205	...	...	20	185	73.2	65.5	86	73
Balance	182	-5	-27	-50	264	17	...	...	-1	18			-165	-246

Source: MoF, FC calculations.

³ Agricultural subsidies were unusually low at the beginning of 2024, which is linked to the start of the implementation of the new European financial perspective.

⁴ In the first two months, EUR 0.8 million was paid out from the integral resources of the state budget for natural disaster recovery.