Speech by Fiscal Council member Tomaž Perše at the 68th emergency session of the Committee on Finance, 10 November 2025

In its assessment of the budget documents for 2026 and 2027, the Fiscal Council drew attention to fiscal risks that could further weaken public finances, explicitly highlighting the Christmas or winter bonus.

The winter bonus was not included in the adopted 2025 budget. It is also absent from the budget documents currently under consideration for 2026 and 2027. This again raises questions about the realism of budget planning and the actual availability of funds. This concern is all the more relevant given that macroeconomic conditions have deteriorated since the adoption of the 2025 budget, with revenue inflows slowing down this year. Such developments should have reduced, if not eliminated, any scope for unplanned expenditure.

However, the current budget outturn suggests that investment this year will likely be much lower than projected in the adopted budget, while substantially more funds will be allocated to salaries. Put simply, based on the adopted budget, the state is borrowing to cover overestimated investment expenditure, yet the funds acquired through borrowing are being used to finance underestimated salaries and the winter bonus, which was not foreseen in the budget.

Nevertheless, our key warning in the assessment of the budget documents concerned the permanent nature of the measures and their impact on public finances. The introduction of the winter bonus will permanently exacerbate this situation. Both our own forecasts and those of the Ministry of Finance already indicate a deficit of around 3% of GDP in 2027, even without the winter bonus.

Whereas last year the Government projected a 0.4 percentage point increase in compensation of employees of the general government as a share of GDP for 2027 compared to 2024, this autumn the projection was revised to 0.9 percentage points. In our assessment, once the winter bonus is taken into account, the increase could reach 1.6 percentage points, which would bring the share to around 13% of GDP. For comparison, the EU average in 2024 stood at around 10%, with only four Member States recording a higher share than the level expected in Slovenia. Furthermore, the budget plans of other EU Member States do not signal such a significant rise in employee compensation as is currently planned in Slovenia.

The significant increase in employee compensation is one of the main reasons why Slovenia's public finances are increasingly diverging from the commitments set out in the 2025–2028 medium-term plan. It is important to clarify and emphasise that compliance with these commitments is essential to maintaining medium-term fiscal sustainability.

Achieving this objective requires prudent, predictable and stable fiscal policy. This is particularly important in view of the numerous unavoidable future fiscal obligations and the current uncertain economic circumstances. The Fiscal Council assesses that the current orientation and implementation of fiscal policy, including the introduction of the winter bonus, is diverging from these desirable qualities.