



REPUBLIC OF SLOVENIA  
**FISCAL COUNCIL**

## **Monthly Information**

December 2025



## Key highlights<sup>1</sup>

- The state budget deficit, excluding intervention measures, was around EUR 1 billion in the first eleven months of this year. This is approximately half of the projected full-year deficit (EUR 1.8 billion), also excluding intervention measures.
- The projected December deficit (EUR 852 million) is one of the highest to date. Only in December 2023 was deficit at a similar level (EUR 823 million). According to the Ministry of Finance's outturn estimate, the estimated high December deficit will be mostly due to the roughly four times greater year-on-year growth in "core" expenditure than the average in the first eleven months. This growth will be mainly driven by expected higher expenditure on labour costs (winter bonus), investments, subsidies and transfer to the Health Insurance Institute of Slovenia.
- Like the Fiscal Council, the European Commission has also assessed that the net expenditure growth in 2025 substantially exceeds the growth set out in the Medium-Term Fiscal and Structural Plan. The estimate for 2026 is similar. Consequently, the European Commission warned the Government that there is an increasing risk of incompliance with the allowed total growth in net expenditure in the period covered by the Plan. The Commission called on the Government to adopt measures to ensure the compliance of fiscal policy with the Plan and maintain the medium-term sustainability of public finances.

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<sup>1</sup> All comments refer to data available as at 2 December 2025

## The state budget from January to November 2025

- In the first eleven months of this year, the state budget recorded a deficit of EUR 982 million (excluding intervention measures), while in the same period last year it recorded a surplus (EUR 61 million). According to the Ministry of Finance's revised outturn estimate, the full-year deficit (excluding intervention measures) is projected at around EUR 1,830 million (compared to around EUR 200 million in 2024).

### Revenue:

- In the first eleven months of the year, budget revenue (excluding intervention measures) increased by 2.8% year-on-year, compared to growth of 7.5% in the same period last year.
- The main reason for the slower revenue dynamics this year is lower revenue from corporate income tax. The year-on-year decline is primarily due to the high base, given that last year's balancing payment was one of the highest on record. However, this year's monthly advance payments have remained similar as the last year's.
- Modest growth in personal income tax revenue compared to the same period last year reflects weaker growth in the gross wage bill and, therefore, in income tax from employment. The slowdown also reflects the fact that income tax brackets have been indexed to inflation this year, whereas last year they were not. Another reason for the lower growth in personal income tax revenue is the lower income tax revenue from activities. This is also a result of last year's high tax base, when the balancing payment was one of the highest ever recorded.
- The VAT revenue growth was slightly higher than in the same period last year and has been increasing in recent months. Excise duty revenue has been lower year-on-year since the beginning of last year, primarily due to the decline in the sale of diesel and cigarettes.
- Revenue from EU funds was higher by around 5% year-on-year. In November, Slovenia received funds from the fourth RRP request. Of the total EUR 400 million received in grants, EUR 165 million has been recorded as the state budget revenue by the end of November. Only grants are recorded as the state budget revenue.

### Expenditure:

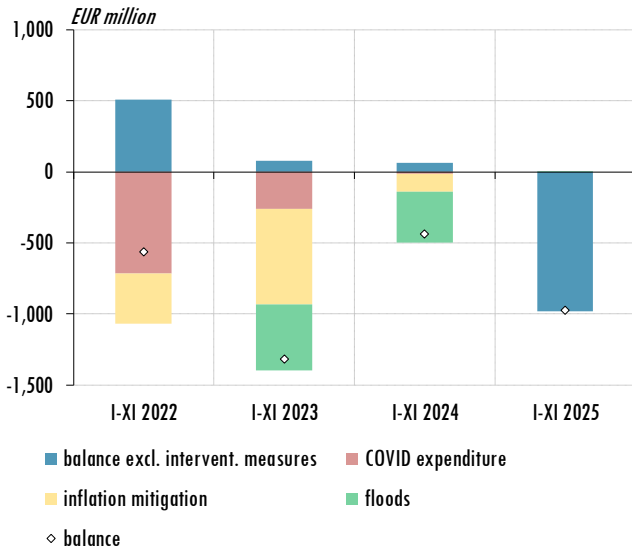
- Expenditure growth (excluding intervention measures) was 11.1% in the first eleven months of the year, compared to an increase of 7.7% in the same period last year.
- Labour costs were the main contributor to expenditure growth, increasing by more than one tenth year-on-year, mainly due to the introduction of a new salary system. It is expected that their growth will accelerate further in December, following the payment of winter bonus.
- Other important contributors to growth were the transfer for the public service in regular transport<sup>2</sup> and compensation for the Šoštanj Thermal Power Plant<sup>3</sup> (Figure 6, category "Other").
- Investment (excluding intervention measures) grew by around one fifth year-on-year in the first eleven months of the year, following a period of strong activity in the last three months. In order

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<sup>2</sup> EUR 268 million in eleven months, which is EUR 111 million or 70% more than in the same period last year.

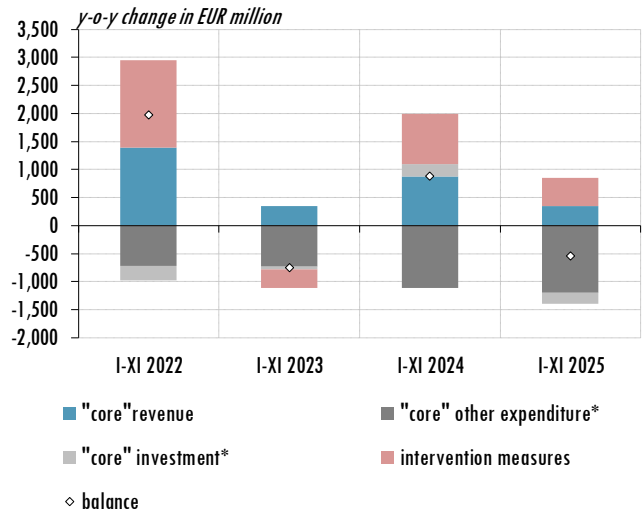
<sup>3</sup> EUR 146 million in eleven months. The statutory allocation for the entire year 2025 was EUR 164 million.

**Figure 1: State budget balance**



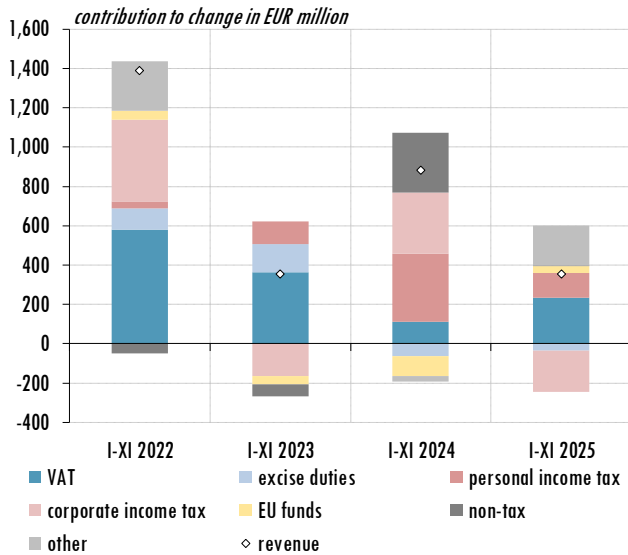
Source: MoF, FC calculations.

**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 revenue change (excluding intervention measures)**



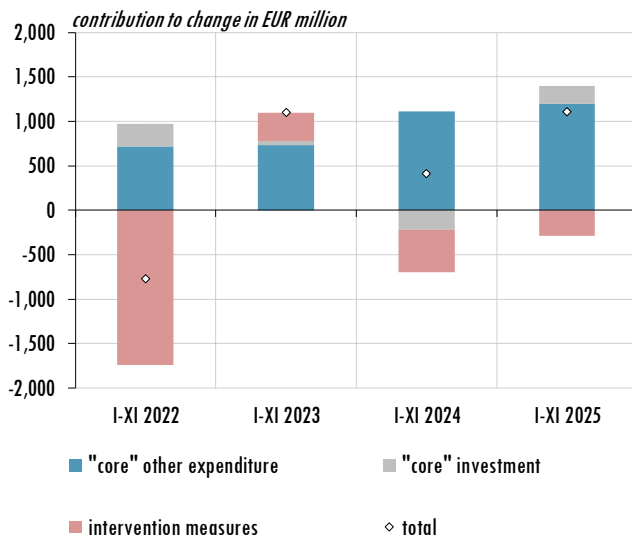
Source: MoF, FC calculations.

**Figure 4: Key tax revenues\* (excluding intervention measures)**



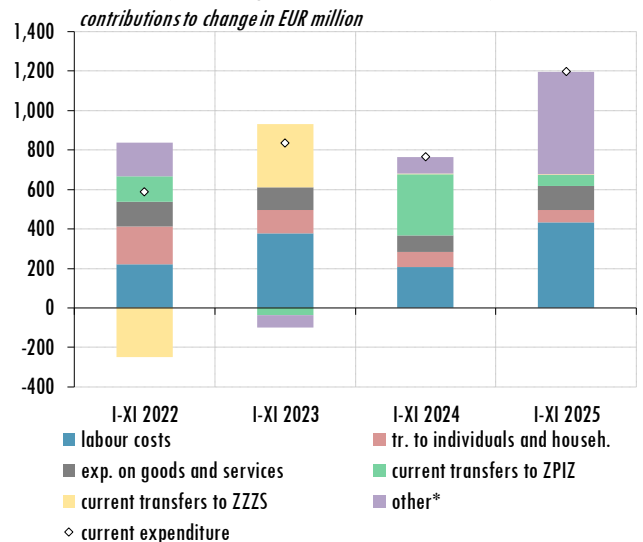
Source: MoF, FC calculations. Note: \* VAT, excise duties, personal income tax, corporate income tax.

**Figure 5: Structure of state budget expenditure growth**



Source: MoF, FC calculations.

**Figure 6: Factors of state budget current expenditure change (excluding intervention measures)**



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

for the revised estimate of the full-year outturn to be realised, investment would need to increase by almost 80% year-on-year in December. Around one half of this year's growth is due to increased defence investments, which accounted for a good quarter of all investment. Investments in railway infrastructure were higher by 3% year-on-year, while investments in road infrastructure remained lower year-on-year. A significant proportion of Slovenia's investment activity occurs outside the state budget, including through budgetary funds. These funds increased the volume of investment spending by approximately 80% this year, reaching EUR 570 million and accounting for approximately half of the total value of investments realised through the state budget this year.

**Table 1: State budget**

<i>EUR million, unless stated otherwise</i>	I-XI 2024					I-XI 2025					I-XI 25 compared to I-XI 24, %		I-XI 25 compared to I-XI 24	
	total	COVID mitig.	infl. mitig.	floods	excl. interv. measures	total	COVID mitig.	infl. mitig.	floods	excl. interv. measures	total	excl. interv. measures	total	excl. interv. measures
<b>Revenue</b>	<b>12,903</b>	...	...	<b>224</b>	<b>12,680</b>	<b>13,471</b>	...	...	<b>437</b>	<b>13,034</b>	<b>4.4</b>	<b>2.8</b>	<b>568</b>	<b>354</b>
VAT	4,869	...	...	...	4,869	5,103	...	...	...	5,103	4.8	4.8	233	233
Excise duties	1,538	...	...	...	1,538	1,503	...	...	...	1,503	-2.3	-2.3	-35	-35
Personal income tax	1,847	...	...	...	1,847	1,973	...	...	...	1,973	6.8	6.8	125	125
Corporate income tax	1,729	...	...	134	1,595	1,556	...	...	172	1,384	-10.0	-13.2	-173	-211
EU funds	667	...	...	...	667	776	...	...	75	702	16.4	5.2	110	35
Non-tax	1,024	...	...	79	945	1,035	...	...	85	950	1.0	0.5	11	5
Other revenue	1,228	...	...	11	1,218	1,526	...	...	106	1,420	24.2	16.6	297	202
<b>Expenditure</b>	<b>13,339</b>	<b>16</b>	<b>126</b>	<b>579</b>	<b>12,618</b>	<b>14,447</b>	...	...	<b>431</b>	<b>14,016</b>	<b>8.3</b>	<b>11.1</b>	<b>1,108</b>	<b>1,397</b>
Total labour costs	3,941	0	...	0	3,940	4,373	...	...	0	4,373	11.0	11.0	433	433
Transfers to individ. and hhs	1,806	3	0	24	1,779	1,841	...	...	...	1,841	2.0	3.5	36	62
Goods and services	1,476	4	4	143	1,325	1,457	...	...	7	1,450	-1.3	9.4	-20	124
Investment	1,007	1	...	67	939	1,201	...	...	61	1,140	19.2	21.3	194	200
Current transfers to ZPIZ	1,411	...	...	...	1,411	1,464	...	...	...	1,464	3.8	3.8	54	54
Subsidies	556	1	121	113	321	367	...	...	0	367	-34.0	14.5	-189	47
Interest	745	...	...	...	745	791	...	...	...	791	6.1	6.1	45	45
Payments to the EU budget	572	...	...	...	572	659	...	...	...	659	15.2	15.2	87	87
Current transfers to ZZS	387	...	...	...	387	393	...	...	...	393	1.5	1.5	6	6
Reserves	832	...	...	224	608	925	...	...	362	563	11.3	-7.4	94	-45
Other expenditure	606	7	0	9	591	976	...	...	...	976	61.0	65.3	370	385
<b>Balance</b>	<b>-436</b>	<b>-16</b>	<b>-126</b>	<b>-355</b>	<b>61</b>	<b>-976</b>	...	...	<b>6</b>	<b>-982</b>			<b>-540</b>	<b>-1,043</b>

Source: MoF, FC calculations.

### **Fund for the Reconstruction of Slovenia**

- In the first eleven months of this year, the Fund for the Reconstruction of Slovenia recorded inflows totalling around EUR 360 million. By the end of November, the Fund's resources totalled around EUR 700 million.
- In the first eleven months of this year, the Fund disbursed EUR 220 million, primarily for local infrastructure (EUR 70 million), replacement construction (EUR 64 million), national road infrastructure (EUR 42 million) and the rehabilitation of water infrastructure (EUR 29 million). In addition to the Fund's own resources, around EUR 70 million was disbursed for reconstruction from the state budget, predominantly financed by the EU Solidarity Fund.