



REPUBLIC OF SLOVENIA
FISCAL COUNCIL

Assessment of the draft 2026 Annual Progress Report

April 2026

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Data available up to and including 14 April 2026 were used.

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EXECUTIVE SUMMARY

In 2025, fiscal trends moved away from fiscal sustainability due to exceptionally high expenditure growth. The cumulative deviation from the commitments outlined in the medium-term fiscal and structural plan remained within the permitted limits, but only because of the use of the fiscal space created in 2024. Projections by the Fiscal Council and the Ministry of Finance suggest that the cumulative deviation will exceed the permitted threshold as early as this year. At the same time, we estimate that the deviation could even double further by the end of the current plan in 2028. Fiscal space, including for addressing the consequences of shocks, is therefore significantly constrained despite the adoption of the pension reform. In such circumstances, measures that would further weaken the state of public finances must be avoided. Otherwise, given the current efficiency of public spending, the risks to fiscal sustainability, and thus to the well-being of the population, will increase even further.

The fiscal deficit increased to -2.5% of GDP last year due to significant growth in expenditure. The key reasons for this were the high growth in compensation of employees due to changes in the salary system, the introduction of a winter bonus, employment growth and a further increase in social benefits. This is a permanent increase in the level of expenditure, which worsens the structural situation. Revenue growth slowed as economic conditions stabilised. Fiscal policy was assessed to have been excessively stimulative and not sufficiently effective given the economic situation. There was particularly an increase in expenditure, which led to an increase in disposable income. This did not have a significant impact on economic growth in uncertain conditions, but rather led to increased savings. Credit ratings improved last year, mainly due to the adopted pension reform, which has a positive impact on the cost of borrowing.

The economic outlook deteriorated, and the increase in compensation of employees was higher than estimated at the time of preparation of the 2024 Autumn Plan. As a result, the deficit, based on currently applicable policies and macroeconomic forecasts, will exceed the permitted limit of -3% of GDP in the coming years. The departure from fiscal sustainability will thus become increasingly greater in the coming years in the absence of measures. This is also corroborated by gross public debt projections. The public debt will remain almost unchanged until 2028, but it will be five percentage points higher than anticipated by the Plan. The deterioration of the fiscal situation could be even more serious due to geopolitical tensions. According to alternative scenarios, the 2028 deficit could be around -5% of GDP if the crisis in the Middle East persists into next year.

The deteriorated fiscal situation and outlook calls for more prudential planning and fiscal management. The planning of changes with a significant impact on public finances must be long-term, which would also contribute to greater stability of the economic environment. The changes must be well considered, taking into account their broader implications, and supported by more reliable estimates of their financial effects. It is necessary to increase the efficiency of public finances, especially investments, and to create fiscal space in stable times. In conditions of global uncertainty, shocks are becoming increasingly frequent and intense, and are accompanied by numerous domestic challenges. Any measures to address emergency situations must be much more targeted and time-limited than during the COVID-19 epidemic and the energy crisis four years ago. A proposal for Intervention

Measures for the Slovenia's Development Act, which mainly does not address the consequences of the current shock, has been submitted for legislative approval. Without compensatory measures, its adoption would, in our estimation, further structurally increase the deficit by around EUR 900 million, or more than 1 percentage point of GDP annually.

Legislation

In accordance with Article 6 of the Fiscal Rule Act (hereinafter: the ZFisP-1)¹, the Fiscal Council received a request from the Government on 10 April 2026 to assess the draft 2026 Annual Progress Report (hereinafter: the Report). The Report is a regular annual document under the new EU economic governance framework, introduced by Regulation (EU) 2024/1263 (hereinafter: the Regulation)²

The content of the Report is determined by Article 21 of the Regulation.³ The purpose of the Report is, in particular, to verify the adequacy of fiscal policy over the past year in relation to the commitments outlined in the Medium-Term Fiscal and Structural Plan (hereinafter: the Plan).⁴ It should also include an assessment of Member States' structural policies and the implementation of recommendations received by a Member State in the context of the European Semester.

In accordance with point 4 of paragraph two of Article 7 of the ZfisP-1, the Fiscal Council must, within seven days of receiving the Annual Progress Report, assess whether the data on the general government budget outturn presented in the Report are in line with the net expenditure path⁵ set out in the Plan.

The Report provides a more detailed overview of the fiscal and macroeconomic trends for 2025 and 2026, as well as of structural policy measures. In order to provide a comprehensive and forward-looking view of public finances, this assessment also includes updated medium-term fiscal projections by the Fiscal Council based on currently applicable policies. On the basis of these projections, the assessment of the risks to the achievement of fiscal targets over the entire period covered by the Plan (2025–2028) has also been updated.

¹ Available at: https://www.fs-rs.si/wp-content/uploads/2025/05/ZAKO9122_NPB0-lektoriran-prevod_eng_.pdf

² Available at: <https://eur-lex.europa.eu/eli/reg/2024/1263/oj/eng>

³ A more detailed explanation and guidance on the required content are available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202403975

⁴ The plans for individual EU Member States, including Slovenia, are available at:

https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages_en ("Fiscal Surveillance" sections).

⁵ General government expenditure less interest expenditure, discretionary revenue measures, expenditure on EU programmes fully financed by EU funds, national expenditure related to the co-financing of EU programmes financed by EU funds, cyclical unemployment expenditure, one-off and other temporary measures.

1. Macroeconomic trends and projections

In 2025, economic growth slowed down, inflation was slightly higher. Nevertheless, we estimate that the economic situation last year was relatively neutral in terms of the balance between supply capacity and demand. Real GDP grew by 1.1% last year, which was about one percentage point less than the long-term average. Lower economic growth was largely due to the stagnation of goods exports, associated with the deterioration of the situation in major trading partners, and to increasing cost pressures, also related to demographic trends. The stronger growth in household disposable income, amid reduced employment, stemmed from the increase in wages and social benefits, but household consumption growth nevertheless halved amid high uncertainty. Gross investment increased last year, mainly due to the strengthening of government infrastructure investments in the second half of the year. Inflation averaged 2.4% for the year as a result of rising food prices and cost pressures, and was slightly higher than in 2024 (2.0%).

Economic activity in 2025 significantly lagged behind what was anticipated during the preparation of the Plan,⁶ and the levels of major tax bases will remain lower also in the following years. Last year, all major tax bases recorded lower growth than projected in the IMAD 2024 autumn forecast.⁷ The nominal level of GDP is expected to lag behind this forecast this year and in the next two years. IMAD's spring forecast for this year⁸ anticipates average real GDP growth of 2% and a gradual decrease in inflation towards 2% for the period 2026–2028. If such a forecast materialised, the level of nominal GDP in the 2025–2028 period would be almost EUR 3 billion lower than that assumed when drafting the Plan.

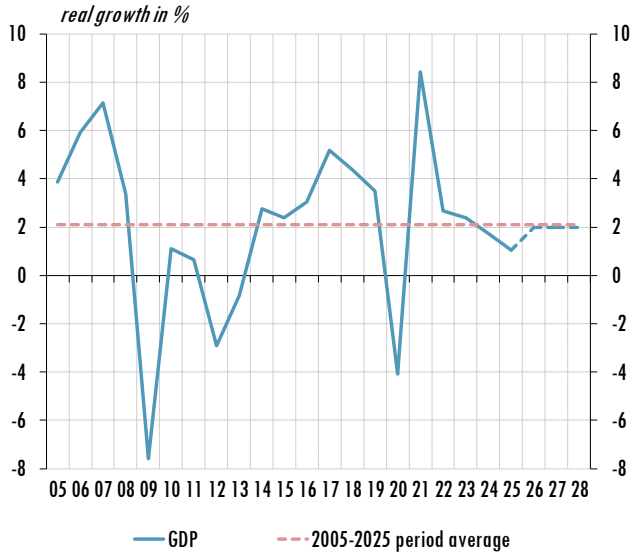
The current forecasts are subject to significant negative risks. These are mainly associated with prolonged geopolitical tensions. In this year's spring forecast, IMAD estimated that a permanent increase in the average oil price to USD 120 per barrel would increase average inflation by around 2.5 percentage points and slow economic growth by 1.5 percentage points. Persistently high uncertainty has a significant impact on the behaviour of the population and businesses, which, combined with high energy prices, can significantly affect economic trends. To illustrate possible paths for public finances in such a situation, we have prepared alternative scenarios, which are presented in Box 3.1.

⁶ The plan for 2024 and 2025 was based on estimates from the IMAD 2024 autumn forecast, and for the rest of the period (2026–2028) on technical assumptions of the Ministry of Finance.

⁷ Available at: https://www.umar.gov.si/fileadmin/user_upload/napovedi/jesen/2024/angleska/aJN2024_final.pdf

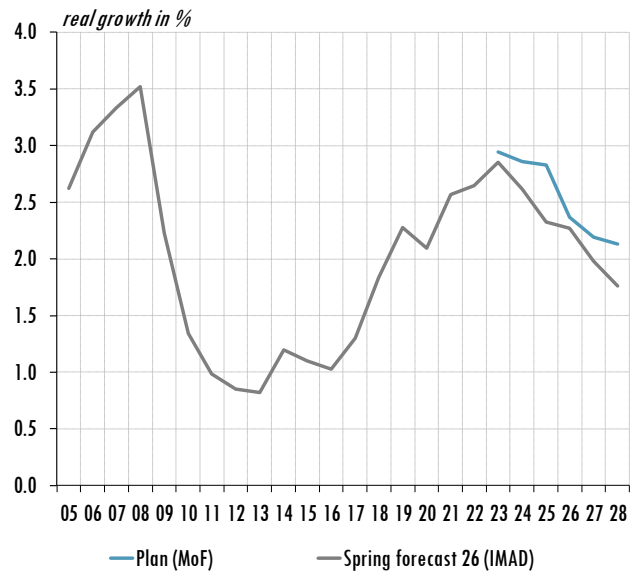
⁸ Available at: https://www.umar.gov.si/fileadmin/user_upload/napovedi/pomlad/pomladanska_2026/Spring_Forecast_2026_02.pdf

Figure 1.1: Gross domestic product



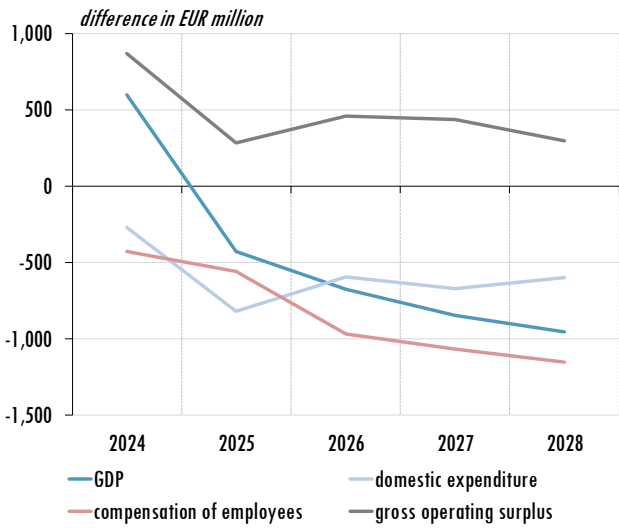
Source: SORS, IMAD, FC calculations.

Figure 1.2: Potential GDP



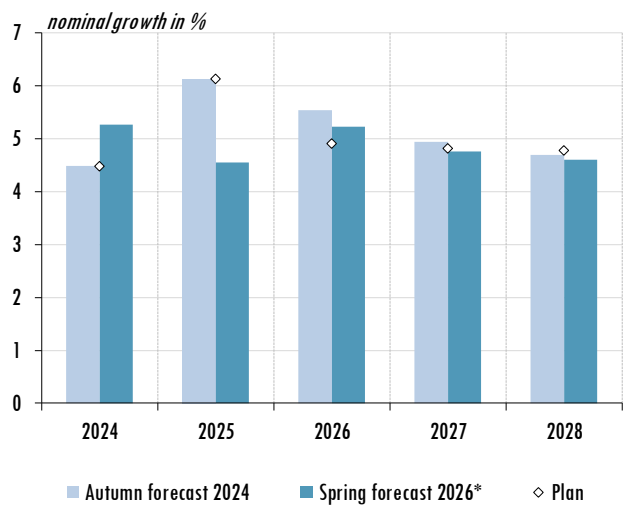
Source: MoF, IMAD, FC calculations.

Figure 1.3: Differences between tax base levels in Spring forecast 2026* and Autumn forecast 2024



Source: SORS, IMAD, FC calculations. Note: * IMAD Spring forecast 2026 includes outturn for 2024 and 2025.

Figure 1.4: IMAD GDP forecasts and assumptions in the Plan



Source: SORS, IMAD, MoF, FC calculations. Note: * IMAD Spring forecast 2026 includes outturn for 2024 and 2025.

2. Fiscal trends and projections

In 2025, the general government deficit increased to -2.5% of GDP as a result of a significant growth in expenditure. The deficit was almost three times as high as the year before (-0.9% of GDP). The growth in expenditure more than doubled and stood at 11.6% (5.1% in 2024).⁹ Its share increased by 3.1 percentage points of GDP, mainly due to the increase in compensation of employees and the continued growth of social benefits. The growth in compensation of employees was almost 15%¹⁰, due to the beginning of implementation of changes to the salary system and the introduction of a winter bonus, along with continued relatively high employment growth in the general government sector.¹¹ The share of compensation of employees in GDP increased by 1.1 percentage points last year alone, which, even without the impact of the winter bonus, exceeds the Government's original projections for the entire four-year reform implementation period. Social benefits continued to grow strongly, by around 10%. This was mainly due to higher expenditure on pensions and benefits in kind, which increased more than nominal GDP. Government investment also rose by more than one tenth, which was a result of higher investment by the RRF Fund and flood relief investment at the beginning of FRS operation. Last year, revenue growth slowed to 8.1% (9.2% in 2024).¹² The increase of its share in GDP was almost entirely due to the integration of energy companies into the general government sector and the introduction of the long-term care contribution. On the other hand, tax revenue growth lagged behind nominal GDP growth. There was a significant slowdown in the growth of corporate income tax revenue due to poor corporate performance¹³ and in the growth of personal income tax revenue due to the slower growth in average salaries and a fall in employment. The lower growth was also a result of income tax bracket adjustment for inflation. The general government gross debt stood at 65.7% of GDP at the end of 2025, 0.7 percentage points of GDP lower than at the end of 2024. The reduction in debt continued to be mainly driven by inflation. The net general government debt was much lower, standing at 46.4% of GDP at the end of 2025, mainly due to the maintenance of high liquidity reserves.

Under current policies, the deficit could reach -3.5% of GDP before the expiration of the current Plan in 2028.¹⁴ According to the Fiscal Council's projections, the deficit for 2026 is expected to remain at a similar level as last year, while the Ministry of Finance expects it to increase.¹⁵ The increase in the deficit over the next two years above -3% of GDP will be almost entirely due to a further increase in the share of compensation of employees in GDP, which is expected to increase by another percentage point of GDP in the period 2026–2028. The Fiscal Council's projection takes into account IMAD's forecast regarding the growth of the average salary in the public sector and assumes similar employment growth as in the previous two years.¹⁶ It also takes into account the legally

⁹ The level of revenue and expenditure of the general government sector in 2025 was significantly affected by the inclusion of two energy companies (Termoelektrarna Šoštanj - TEŠ and Premogovnik Velenje - PV) in the general government sector. The reclassification had a negligible impact on the general government financial balance. Without taking this effect into account, expenditure growth last year would have been 9.9%, which is still almost twice as high as in 2024. The share of expenditure in GDP, excluding this effect, rose by 2.4 percentage points.

¹⁰ The increase was higher only in 2001 (16.4%).

¹¹ Employment growth in the general government sector last year was 2.2%, and after excluding the effect of the integration of TEŠ and Premogovnik Velenje, it stood at around 1.5%. After excluding the effect of the aforementioned integration, employment in the private sector decreased by around 0.8% last year.

¹² After excluding the effect of the integration of TEŠ and Premogovnik Velenje, it was 6.3%.

¹³ In 2025, the gross operating surplus increased by 1.6%, its share in GDP being the lowest since 2001.

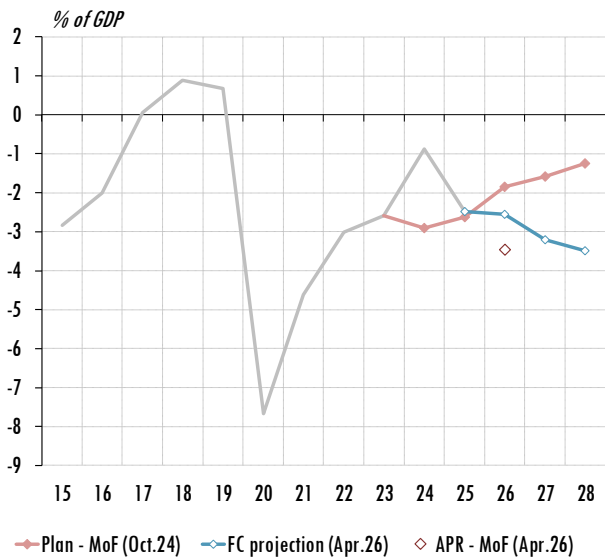
¹⁴ The Fiscal Council's projections were made on the basis of IMAD's Spring Forecast of Economic Trends published in March 2026 and by taking into account the current legislation and measures.

¹⁵ According to the report of the Ministry of Finance, a 3.5% deficit is expected this year. The increase is expected to be almost entirely due to the increase in the share of intermediate consumption in GDP to the highest level ever. In all other revenue and expenditure categories, there are no major differences between the projections produced by the Fiscal Council and by the Ministry of Finance.

¹⁶ The average employment growth in the general government sector over the last ten years was the same as over the previous two years.

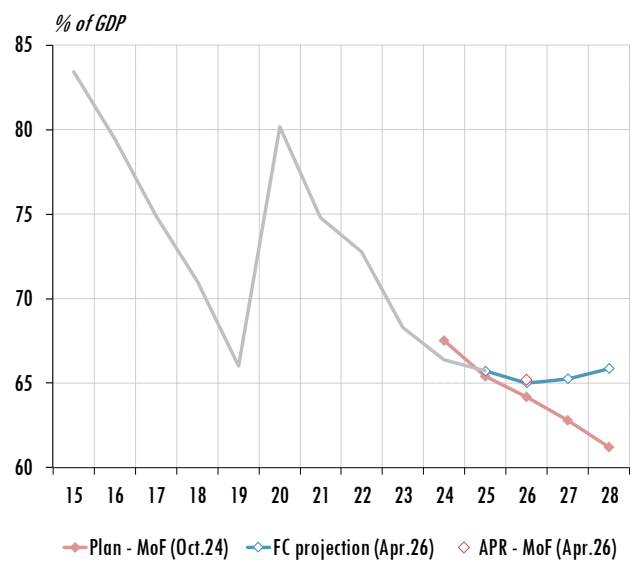
required alignment of holiday pay (paid annual leave and winter bonus) with the increase in the minimum wage. The increase in the deficit will also be a result of the growth of social benefits, provided that long-term care expenditure is actually realised in accordance with the latest publicly available projections of the Health Insurance Institute. This year, the share of investment in GDP could further increase as a result of the completion of RRF projects. It is then expected to decline to around 5% of GDP by 2028, due to the smaller volume of EU funded resources, but still remain above the long-term average. Revenue growth is expected to largely follow nominal GDP growth, with fluctuations mainly due to the dynamics of EU funding. According to our projections, after the expiration of the current 2028 Plan, the gross public debt is expected to remain at a similar level as last year, or almost 5 percentage points of GDP more.

Figure 2.1: General government budget balance



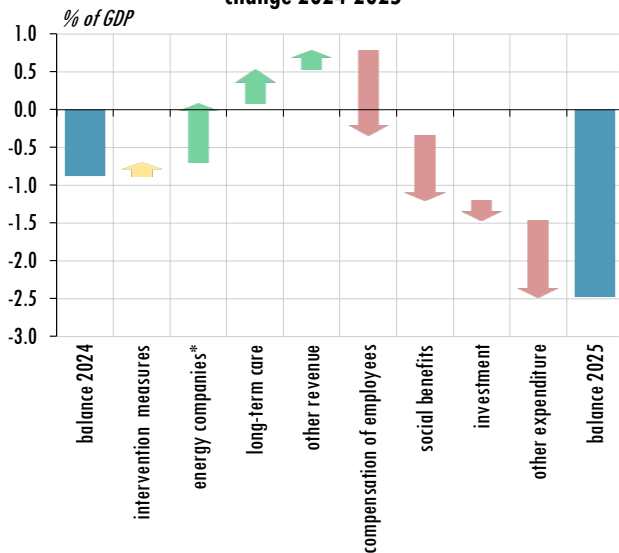
Source: SORS, IMAD, MoF, FC calculations.

Figure 2.2: General government gross debt



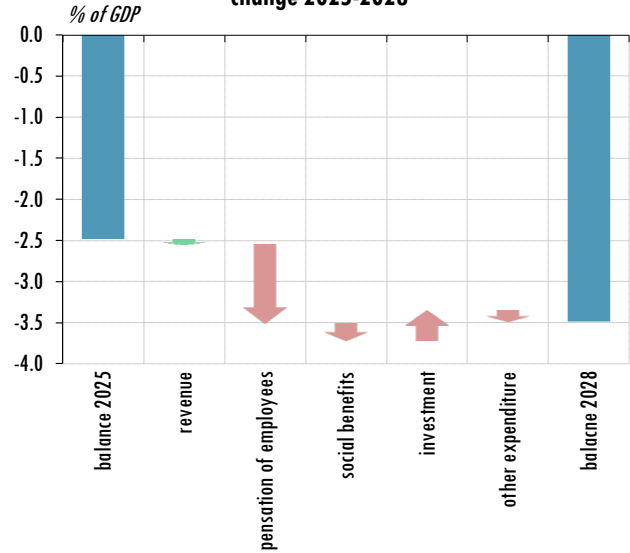
Source: SORS, IMAD, MoF, FC calculations.

Figure 2.3: Factors of general government budget balance change 2024-2025



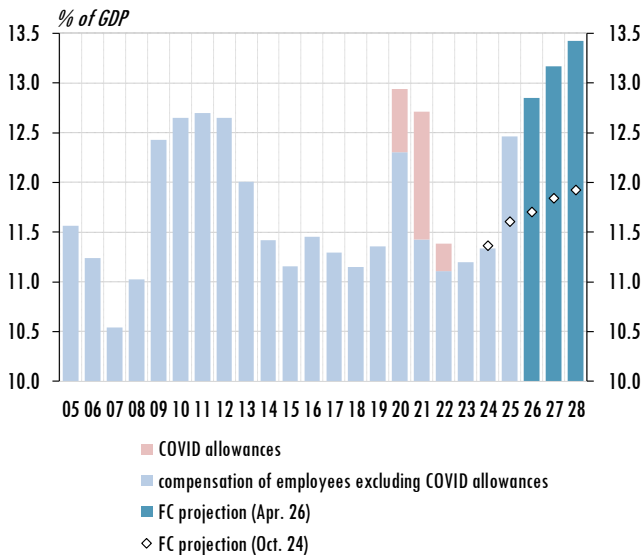
Source: MoF, SORS, FC calculations. Note: *classification of TES and PV into general government sector.

Figure 2.4: Factors of general government budget balance change 2025-2028



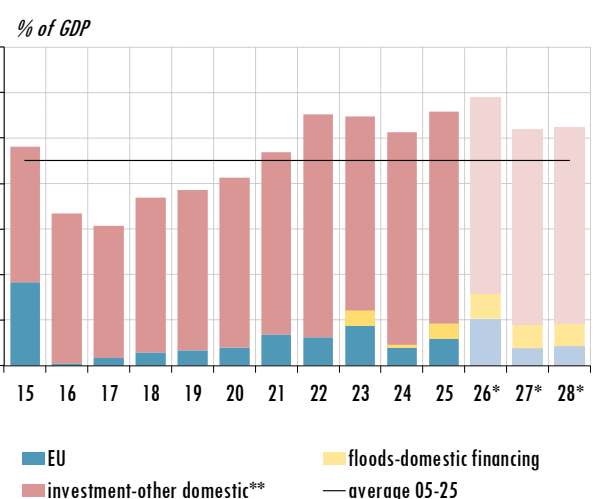
Source: MoF, SORS, FC projections.

Figure 3.10: Share of general government compensation of employees



Source: SORS, IMAD, compensation of employees FC projections.

Figure 2.6: General government investment



Source: SORS, IMAD, FC calculations. Note: *FC projection, **including EU co-financing.

3. Achievement of the Plan's objectives and associated risks

In 2025, fiscal trends deviated from the commitments of the Plan. The general government deficit was similar to that in the Plan, but the 8.1% growth in net expenditure¹⁷ significantly exceeded the projected growth. Although the annual growth in net expenditure after excluding defence expenditure stood above the threshold¹⁸, the cumulative growth in net expenditure remained within the threshold.¹⁹

Last year's fiscal policy was markedly stimulative and therefore inappropriate given the relatively neutral economic environment. In 2024, the base year of the plan, the deficit was considerably lower than expected. This created considerable room for maneuver, but it was already used up last year. The fiscal policy's impact was also not effective in terms of stimulating economic activity, as growth was recorded particularly in spending components that caused an increase in household income (see Section 2). In uncertain conditions, such measures have no significant impact on economic activity, which is also corroborated by the increase in household deposits in banks (by approximately EUR 2 billion last year). According to the Fiscal Council's estimate, only two-thirds of the increase in total expenditure contributed to economic growth.²⁰

Projections indicate that deviations from the Plan and thus from the goal of achieving sustainability will continue to grow in the coming years due to the expansionary-based approach. Even with the exclusion of defence spending, the cumulative deviation would exceed the threshold level as early as in 2026. The excess deviation could double by 2028. Such trends are also confirmed by the projection of general government deficits, which are expected to be 4.5% of GDP (almost EUR 3 billion) higher than the commitments in the Plan in the 2025–2028 period.

Deviation from the commitments in the Plan reduces the scope for fiscal policy measures in uncertain circumstances. The risks to fiscal sustainability are rapidly increasing amid the worsening geopolitical situation. According to the estimate of the Fiscal Council, the realisation of the risks related to the crisis in the Middle East could cause an additional deviation from the fiscal consolidation envisaged in the Plan. Given the pressures of raw material prices, lower demand from abroad and increased business uncertainty, this could pose a serious fiscal risk (Box 3.1). Fiscal policy is also exposed to many long-term challenges (demographic changes and the costs of addressing climate change, the construction of the Nuclear Power Plant 2 – JEK2), which will further limit its ability to act in crisis situations in the future.

Due to the limited room for maneuver, it is necessary to avoid measures that would further worsen the state of public finances. The adopted pension system reform has allowed some room for maneuver in terms of ensuring medium-term fiscal sustainability. According to our estimate, the permitted average annual growth rate of net expenditure in an updated medium-term fiscal and structural plan²¹ could be around 0.2-0.3 percentage points higher. However, the departure from the

¹⁷ When calculating the net expenditure growth, we took into account the methodological change in the integration of two energy companies into the general government sector (see footnote 9) and excluded this impact on general government expenditure. According to our estimate, such a decision is appropriate from the perspective of preventing a break in the time series. On the other hand, it may be inconsistent from the perspective of identifying the realisation of implicit fiscal risks.

¹⁸ The exclusion of defence expenditure from the calculation of the annual and cumulative deviation in the "control account" is consistent with the national escape clause, which is applied with certain limitations in the 2025–2028 period. It allows countries that have applied for it to benefit from greater flexibility in meeting commitments to increase defence spending. For more details, see the Fiscal Council's assessment of the occurrence of exceptional circumstances: Available at: https://www.fs-rs.si/wp-content/uploads/2025/04/Exceptional-Circumstances_April2025_eng.pdf.

¹⁹ According to Article 1 of Regulation 2024/1264 the permitted annual deviation in the control account is 0.3 percentage points of GDP or 0.6 percentage points cumulatively.

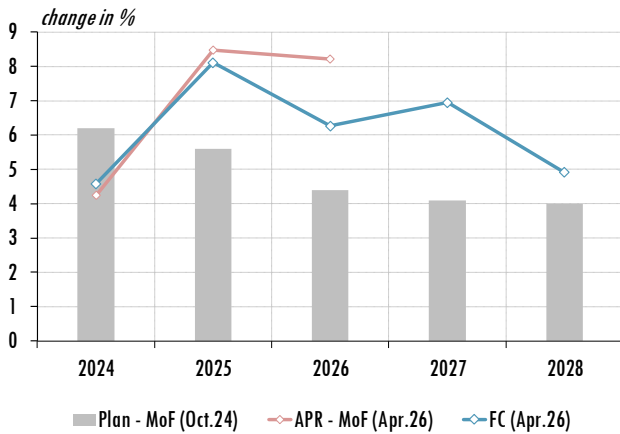
²⁰ The estimate is based on the calculation of the sum of the weighted multiplicative effects of the annual change in individual general government expenditure components.

²¹ EU Regulation 2024/1263 (Article 15(2)) allows for drafting an updated Plan in the event of a change of government. In the view of the Fiscal Council, the use of such an option is not consistent with ensuring fiscal sustainability, which results from respecting the commitments in each Plan.

commitments set out in the current Plan, the lowering of estimated economic potential growth²² and numerous other long-term challenges limit the space for fiscal policy to operate. To prevent the expected high deviations from the commitments set out in the Plan, which are indicated by the projections, it will be necessary to adopt measures to limit the departure from fiscal sustainability. Measures that would further and permanently impair the state of public finances therefore pose a serious risk to the sustainability of public finances and consequently to the well-being of the population.

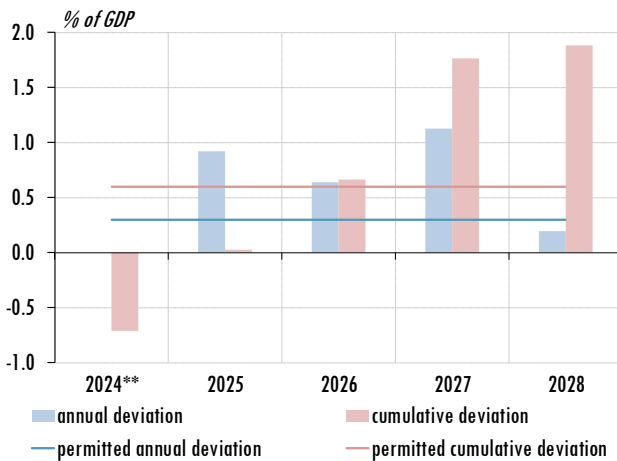
²² The estimated average annual growth of potential output in the 2025–2028 period, derived from this year's spring forecast by IMAD, is around 0.3 pp lower than the estimate taken into account when preparing the current Plan.

Figure 3.1: Net expenditure*



Source: SORS, IMAD, MoF, FC calculations. Note: *expenditure excluding intervention measures and discretionary revenue measures, interest, cyclical components of unemployment benefit expenditure, expenditure on EU programmes fully financed by EU funds, national co-financing of EU-funded programmes and the effect of reclassification of 2 energy companies.

Figure 3.3: Net expenditure* deviations in the period of the Plan according to FC projection



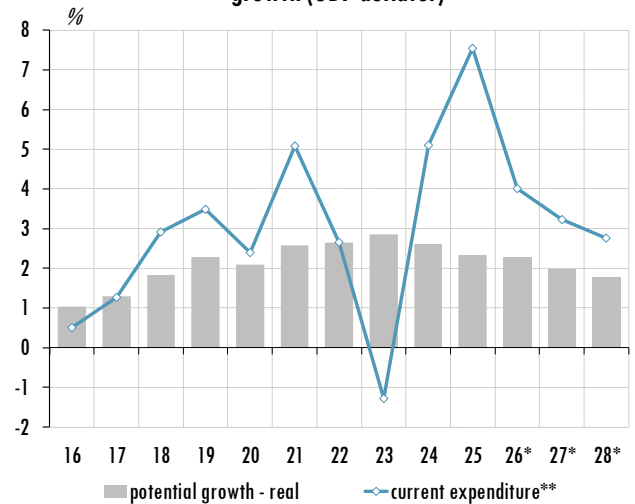
Source: FC, Council Regulation (EU) (2024/1264). Notes: *in addition to the components listed in the note under Figure 3.1, change in defense expenditure is also excluded. ** as 2024 is not part of the Plan, the deviation in this year is not noted.

Figure 3.2: Net expenditure - effect of a methodological change



Source: SORS, AJPES, MoF, FC calculations. Note: *Termoelektrarna Šoštanj (Thermal Power Station Šoštanj) and Premogovnik Velenje (Coal Mine Velenje).

Figure 3.4: Real general government current expenditure growth (GDP deflator)



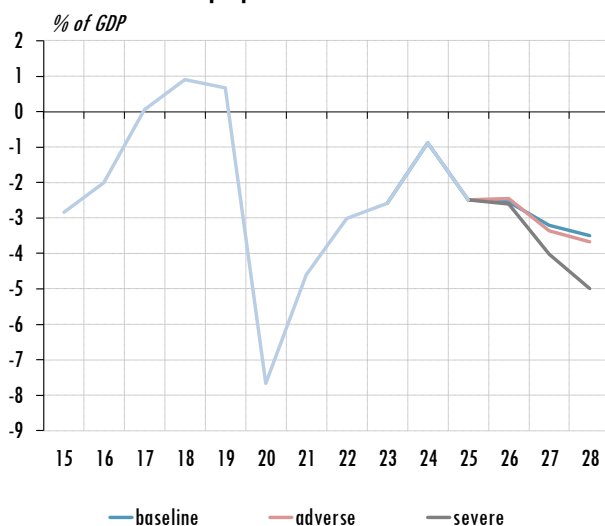
Source: SORS, IMAD, MoF, FC calculations. Notes: *IMAD forecast, FC projection, **expenditure excluding intervention measures, interest, investment and the effect of reclassification of 2 energy companies.

Box 3.1: Fiscal scenarios of the consequences of the Middle East crisis

Due to the worsening geopolitical situation, we have prepared alternative fiscal scenarios that indicate the possibility of further deterioration in public finances. The scenarios have been prepared in accordance with the ECB's alternative macroeconomic scenarios¹ and do not include a fiscal policy response. They differ in terms of the length and intensity of the conflict in the Middle East.² In the adverse scenario, in which the shock is limited to 2026, the fiscal deficit would not be considerably larger than in the baseline scenario. Given the limited room for maneuver of fiscal policy, and deviations from sustainability already present in the baseline scenario, extensive measures to mitigate high energy prices in the case of a limited duration of the shock would not be justified. Moreover, for the time being, the size of a price shock is not comparable to that experienced four years ago at the onset of war in Ukraine. In the severe scenario, in which the shock duration is extended into 2027, the deficit for 2028 could reach around -5% of GDP even without fiscal policy measures. This reflects the considerable sensitivity of Slovenia's economy and public finances to long-term supply shocks and increased uncertainty. As a result, in the future, it will be necessary to create additional fiscal space in periods without shocks, as these have become increasingly frequent and intense in recent years.

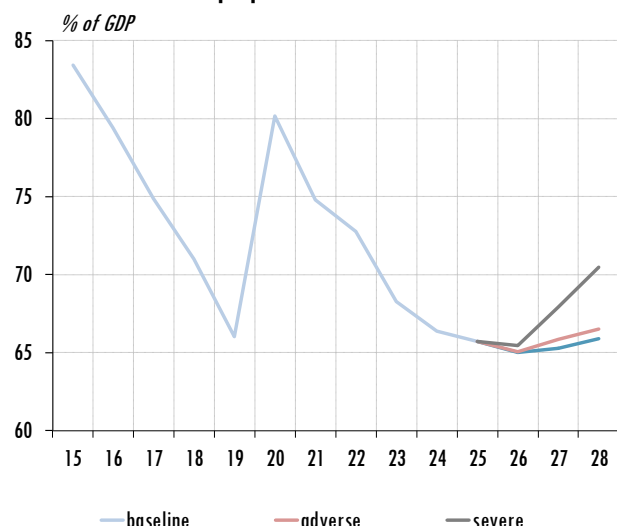
Due to the limited manoeuvring room any measure to mitigate the current shock will need to be more prudent and, above all, more targeted than four years ago. In a similar energy crisis four years ago, the measures taken addressed a wide range of aid recipients. At the same time, the duration of the measures exceeded the duration of the energy crisis and did not sufficiently encourage consumers to use energy more rationally. Direct expenditure related to energy crisis totalled 1.6% of GDP in three years, of which about one third was accounted for by support to the business sector, compensation to energy providers for administratively reduced prices and social benefits. An additional approximately 0.7% of GDP was due to the impact of reduced levies on energy products. Any measure taken this time should be more targeted and time-limited, confined solely to the period of high energy prices. This is in accordance with the recommendations of the OECD³ and the IMF⁴. Prudent measures are particularly important in situations where, in the absence of shocks, public finances diverge from achieving medium-term sustainability even in the baseline scenario of both the Fiscal Council and the Ministry of Finance.

Figure 1: General government budget balance projection scenarios



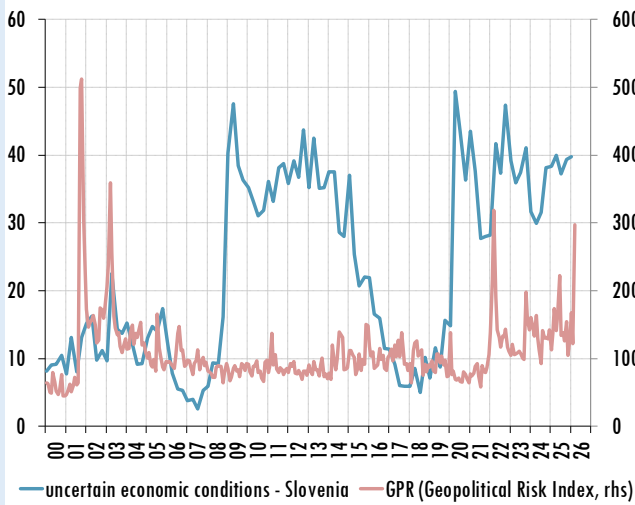
Source: SORS, FC projection scenarios.

Figure 2: General government gross debt projection scenarios



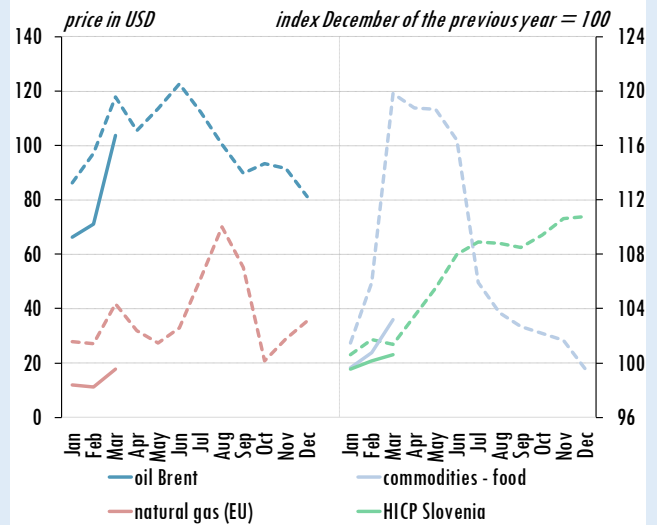
Source: SORS, FC projection scenarios.

Figure 3: Uncertainty indicators



Source: SORS, matteiocoviello.com.

Figure 4: Commodity prices and inflation 2022 and 2026



Source: FRED, IMF, FAO, Eurostat, FC calculations. Dashed lines represent price developments in 2022, solid lines represent price developments in Q1 2026.

¹ ECB staff macroeconomic projections for the euro area (March 2026), pp. 23-33. Available at: https://www.ecb.europa.eu/pub/pdf/other/ecb.projections202603_ecbstaff~ebe291cd3d.en.pdf

² Based on a macroeconomic model, we have estimated the changes in tax bases, which allows for the inclusion of direct and indirect effects of shocks. We have adjusted interest rates, energy prices, foreign demand and the uncertainty indicator exogenously. The change in interest rates is determined on the basis of the ECB's average assumption regarding the change in financing costs for businesses and households for the entire duration of the 'severe' scenario, according to which the size of the shock for the 'adverse' scenario has been halved. We have adjusted the energy prices from the baseline scenario by taking into account the average change in the assumptions for oil and natural gas prices based on the ECB scenarios, and energy prices in the 'severe' scenario do not return to their early 2026 levels even by the end of 2027. To determine the foreign demand that is included in the macroeconomic model, the impact of the ECB scenarios on euro area GDP has been adjusted based on the estimated elasticity. The uncertainty variable in the baseline scenario has been adjusted indirectly in line with changes in the uncertainty indicator in the ECB projection scenario. The increase in uncertainty in the 'adverse' scenario, which is present only until mid-2026, is smaller than the increase in uncertainty in the 'severe' scenario under which uncertainty is gradually reduced only by the end of 2027.

³ Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2026/03/oecd-economic-outlook-interim-report-march-2026_254a8d56/d4623013-en.pdf.

⁴ Available at: <https://www.imf.org/-/media/files/publications/weo/2026/april/english/ch1.pdf>.

Annex: Assumptions underlying the general government balance projection for 2026–2028

The general government balance projections are based on the 2026 Spring Forecast of Economic Trends²³ and take into account the current legislation. The projections include the assumptions and adjustments that may deviate not only from tax bases and rates, as well as from the Ministry of Finance's expenditure assumptions used in its government sector projections.

The most important assumptions underlying the revenue projections are as follows:

- Compulsory healthcare contribution revenue is indexed in accordance with legislation²⁴ from 1 March of each year to the growth of the previous year's average gross salary.
- Revenue from the long-term care contribution for 2026 is included to the same extent as presented in the Proposal of the Financial Plan of the ZZZS for 2026.²⁵ The 2026 share of GDP is assumed to be maintained also in the period after 2027.
- In terms of revenue from excise duties on energy products, the average dynamics of the previous two years is assumed for the quantities sold in 2026, and for the period after 2027 it is assumed that they will be maintained at the 2026 level. It is also assumed that the current excise duty rate will be maintained for a period of three months.
- Dedicated revenue from the Fund for the Reconstruction of Slovenia are indexed to the forecast gross operating surplus.
- Revenue arising from property has been adjusted to reflect the estimated financial impact of the Act Regulating the Transitional Financing for the Accelerated and Equitable Coal Phase-out.²⁶
- Revenue arising from interest is based on the assumption that the balance of the general government Treasury Single Account remains at the level recorded at the end of December 2025. Interest rate assumptions are taken from the latest ECB forecast.²⁷
- All RRF funds still available are assumed to be received in 2026.

The most important assumptions underlying the expenditure projections are as follows:

- Expenditure on employee compensation is based on IMAD's projections for average gross salary growth in the public sector, employment growth is assumed to be the average of the last two years excluding the effect of integration of TEŠ and Premogovnik Velenje into the general government sector in 2025.
- In 2026, the holiday allowance and the winter bonus paid to public employees have been adjusted for the increase in minimum wage. From 2027 onwards, the minimum wage is anticipated to be aligned with inflation forecasts.
- As regards of social benefit expenditure, revenue from the long-term care contributions for 2026 are included to the same extent as presented in the Proposal of the Financial Plan of the ZZZS for 2026.²⁸ The 2026 share of GDP is assumed to be maintained also in the period after 2027.

²³ Available at: https://www.umar.gov.si/fileadmin/user_upload/napovedi/pomlad/pomladanska_2026/Spring_Forecast_2026_02.pdf.

²⁴ Article 48 of the Health Care and Health Insurance Act. Available at: <https://pisrs.si/pregledPredpisa?id=ZAK0213> (Only in Slovene).

²⁵ Available at: <https://www.zzs.si/?id=126&detail=172504412BBE583DC1258D5C0040C7CE> (Only in Slovene).

²⁶ Available at: <https://pisrs.si/pregledPredpisa?id=ZAK09127> (Only in Slovene).

²⁷ Available at: https://www.ecb.europa.eu/pub/pdf/other/ecb.projections202603_ecbstaff~ebe291cd3d.en.pdf.

²⁸ Available at: <https://www.zzs.si/?id=126&detail=172504412BBE583DC1258D5C0040C7CE> (Only in Slovene).

- As regards social benefit expenditure on cash benefits to unemployed persons, the change in the benefit amount in 2026 has implicitly been taken into account based on the average benefit for the first two months of 2026, for which data are available.
- As regards expenditure on social benefits, the ZZS takes into account the expected effects of measures to curb the growth of sickness benefits.
- All available RRF funds are assumed to be used by the end of 2026.
- It is assumed that the operation of the Reconstruction Fund will be extended until 2030 inclusive due to the implementation falling behind the plans in 2025. It is assumed that all funds raised will be spent.