



REPUBLIC OF SLOVENIA  
**FISCAL COUNCIL**

## **Monthly Information**

April 2026



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

- In 2025, the general government deficit increased to 2.5% of GDP (0.9% of GDP in 2024), mainly as a result of a significant growth in expenditure. Expenditure growth was mainly due to higher labour costs triggered by the start of the salary system reform and the introduction of winter bonus, continued increase in social benefits and stronger investments. The revenue growth slowed down, which was mainly due to poorer corporate results and slower labour market.
- The general government gross debt (65.7%) decreased to the pre-COVID-19 level, mainly due to inflation. During the last month, financial market situation has deteriorated as a result of geopolitical tensions, but most of Slovenia's borrowing for this year was done on favourable conditions.
- In the first three months of this year, the state budget showed a deficit of EUR 700 million, an increase on the same period last year. Revenue growth remained solid (7.0%), mainly due to higher receipts from VAT, EU funds, and personal income taxes. However, it continues to be considerably lower than increase in expenditure (13.0%). This was mainly due to higher labour costs associated with the introduction of a new salary system and stepped up investment activity, particularly in defence. Expenditure growth is further driven by transfers to individuals and households and to the health insurance fund. The current budget forecast for the entire year shows a deficit of EUR 2.1 billion.
- In accordance with the Fiscal Rule Act, the Government is required to submit to the National Assembly and to the Fiscal Council for assessment a draft of the annual report on the progress in the implementation of the medium-term plan. According to the law, the Fiscal Council will prepare an assessment of compliance of data on the outturn of the general government budgets including the net expenditure path set out in the medium-term plan within seven days of receiving the annual progress report.

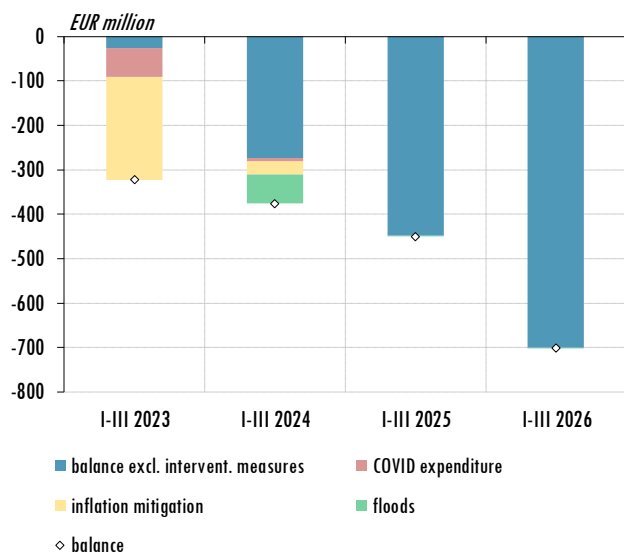
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<sup>1</sup> All comments pertain to data as at 1 April 2026.

### State budget January–March 2026

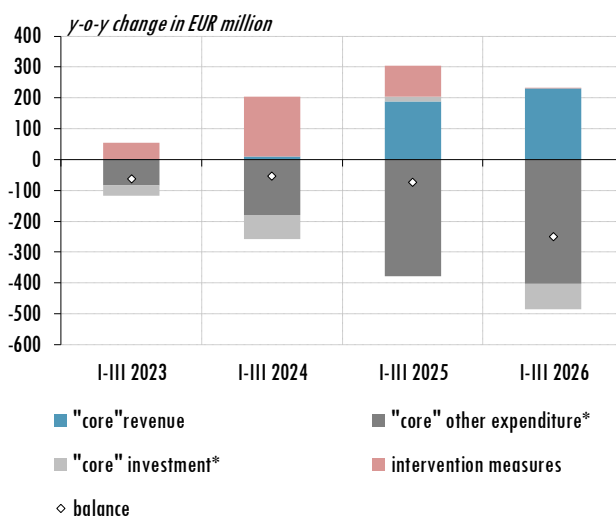
- In the first quarter of this year, the state budget had a deficit of EUR 700 million compared to a EUR 450 million deficit for the same period last year. According to the current budget, the deficit for the entire year could reach EUR 2.1 billion.
- The year-on-year revenue increase in the first three months of this year was 7.0%. The increase was due to higher receipts from VAT and EU funds. The increase was to a considerable degree also due to personal income tax receipts.
- The year-on-year expenditure increase in the first three months of this year was 13.0%, an increase on the same period last year. Most of the growth (about one third) was due to labour costs, which, in the past year, increased year-on-year by 11.8% in two instalments due to the implementation of the new salary system. In April this year, salaries will be partly indexed for inflation and two more instalments are scheduled to be paid in June and December. Expenditure growth was also largely due to investment spending, particularly in defence. Investment on defence showed a year-on-year increase of about 45% and accounted for more than half of the state’s budget investment expenditure.<sup>2</sup> Compared to the same period last year, there was also an increase in transfers to individuals and households (personal assistance and higher unemployment benefits), transfers to the Health Insurance Institute of Slovenia (ZZZS)<sup>3</sup> and transfers for the provision of service of general economic interest in public regular passenger transport.<sup>4</sup>

Figure 1: State budget balance



Source: MoF, FC calculations.

Figure 2: Factors of state budget balance change



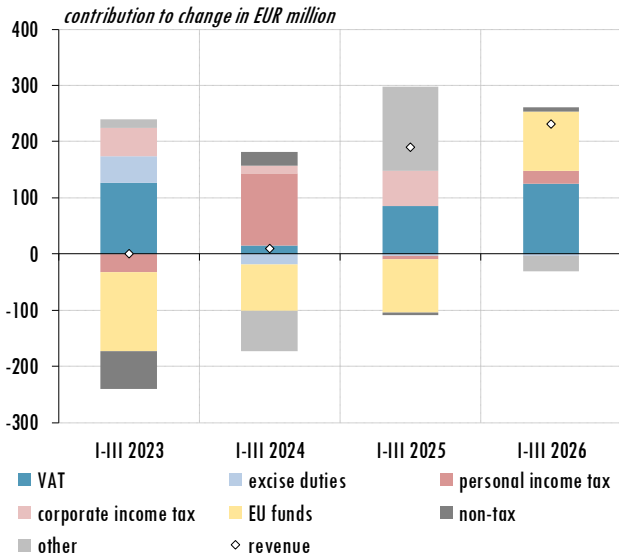
Source: MoF, FC calculations. \*positive sign denotes a decrease, negative sign denotes an increase.

<sup>2</sup> A significant proportion of Slovenia’s investment activity occurs through budgetary funds. In the first quarter of this year, the volume of year-on-year investment spending of budgetary funds nearly doubled, totalling EUR 130 million.

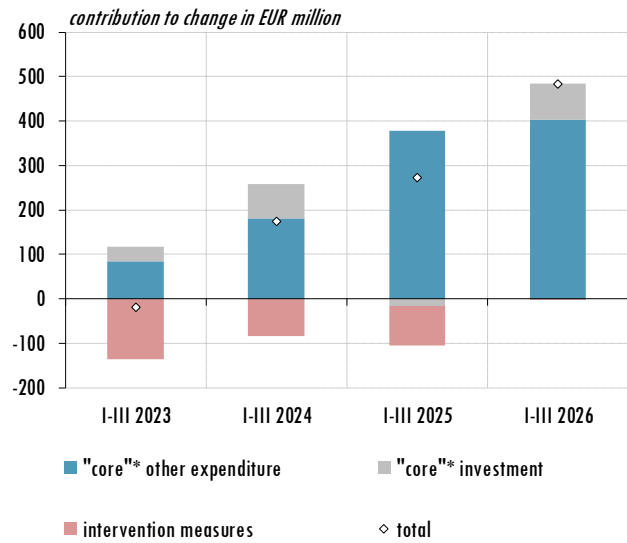
<sup>3</sup> In March this year, EUR 54 million was transferred from the state budget to the Health Insurance Institute of Slovenia pursuant to Article 67 of the Act Regulating the Implementation of the Budgets of the Republic of Slovenia for 2026 and 2027 (ZIPRS2627), namely for the costs of medicines, screening and preventive programmes, transplants, dialysis, vaccines, the provision of out-of-hospital emergency medical services, helicopter emergency medical services, medical dispatch services, and for educational and research activities of healthcare providers at the tertiary healthcare level. In accordance with the Act Regulating the Implementation of the Budgets of the Republic of Slovenia for 2026 and 2027 (ZIPRS2627), a total of EUR 520 million can be provided from the state budget this year.

<sup>4</sup> Based on the newly awarded concessions, transfer amount started to increase in September 2024. In 2025 as a whole, it increased year-on-year by 37% and by 60% in the first quarter of this year.

**Figure 3: Structure of state budget revenue change (excluding intervention measures)**



**Figure 4: Structure of state budget expenditure growth**



**Table 1: State budget**

EUR million, unless stated otherwise	Jan.-Mar.			Apr.-Dec.			2025	2026**	2026 compared to			
	2025	2026	2026 compared to 2025	2025	2026*	2026 compared to 2025			2025	%		
			%			%						
<b>Revenue</b>	<b>3,303</b>	<b>3,536</b>	<b>233</b>	<b>7.0</b>	<b>11,837</b>	<b>12,028</b>	<b>191</b>	<b>1.6</b>	<b>15,140</b>	<b>15,564</b>	<b>423</b>	<b>2.8</b>
VAT	1,295	1,421	126	9.7	4,268	4,435	167	3.9	5,563	5,856	293	5.3
Excise duties	370	367	-3	-0.8	1,262	1,279	17	1.4	1,632	1,646	14	0.9
Personal income tax	558	580	22	4.0	1,632	1,595	-36	-2.2	2,189	2,175	-14	-0.6
Corporate income tax	392	393	0	0.1	1,323	1,446	124	9.4	1,715	1,839	124	7.2
EU funds	80	185	105	132.1	1,169	1,235	66	5.7	1,249	1,420	172	13.7
Non-tax	167	175	8	4.8	993	755	-239	-24.0	1,161	930	-231	-19.9
Other revenue	441	415	-26	-6.0	1,191	1,282	91	7.6	1,632	1,697	65	4.0
<b>Expenditure</b>	<b>3,753</b>	<b>4,236</b>	<b>483</b>	<b>12.9</b>	<b>13,098</b>	<b>13,435</b>	<b>336</b>	<b>2.6</b>	<b>16,852</b>	<b>17,671</b>	<b>820</b>	<b>4.9</b>
Total labour costs	1,107	1,238	130	11.8	3,824	3,849	25	0.6	4,931	5,086	155	3.1
Transfers to individuals and hhs	507	577	70	13.7	1,488	1,510	22	1.5	1,995	2,087	92	4.6
Goods and services	317	360	43	13.5	1,470	1,539	69	4.7	1,787	1,899	112	6.3
Investment	235	314	80	34.0	1,485	2,010	524	35.3	1,720	2,324	604	35.1
Current transfers to ZPIZ	413	427	14	3.4	1,175	1,245	70	5.9	1,589	1,672	84	5.3
Subsidies	166	158	-9	-5.4	281	360	79	28.1	448	517	70	15.6
Interest	527	506	-21	-4.0	281	397	116	41.3	808	903	95	11.8
Payments to the EU budget	156	192	35	22.6	564	542	-21	-3.8	720	734	14	2.0
Current transfers to ZZS	28	91	63	220.7	516	459	-57	-11.1	544	550	5	1.0
Reserves	85	156	71	83.4	1,120	747	-374	-33.4	1,205	902	-303	-25.1
Other expenditure	211	218	7	3.5	894	778	-116	-13.0	1,105	996	-108	-9.8
<b>Balance</b>	<b>-450</b>	<b>-701</b>	<b>-250</b>		<b>-1,261</b>	<b>-1,407</b>	<b>-146</b>		<b>-1,711</b>	<b>-2,108</b>	<b>-396</b>	

Source: MoF, FC calculations. Note: \*implicitly calculated to match MoF forecast. \*\*MoF forecast (Sep.2025).

## General government 2025<sup>5</sup>

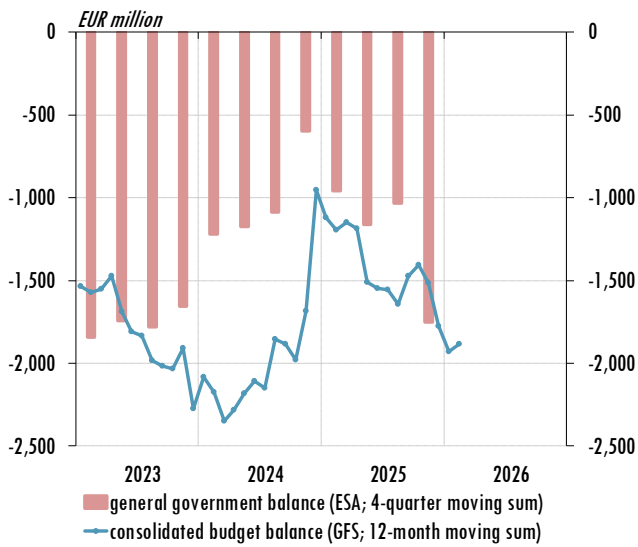
- In 2025, the **deficit** of the general government sector as a whole was 2.5% of GDP, which was 1.6 percentage points of GDP higher than the previous year. The increase in the deficit was a result of a considerable expenditure (11.6 %) increase that more than doubled compared to 2024 when the figure was 5.1%. There was particular increase in compensation of employees at the start of the salary system reform and the introduction of winter bonus. Their share in GDP rose by 1.1 percentage points. The high growth in social benefits continued, and the growth in pension expenditure exceeded nominal GDP growth. The increase in investment volume also significantly contributed to growth, including due to larger investments by the RRP Fund and the start of FRF Fund's activities. The revenue growth slowed down (8.1%; 2024: 9.2%), falling behind that of expenditure. The revenue growth was largely due to continued high growth in social contributions, partly caused by the introduction of the long-term care contribution. On the other hand, there was a significant slowdown in the growth of corporate income tax revenue due to poor corporate performance<sup>6</sup> 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 indexation.
- In 2025, two energy companies (the Šoštanj Thermal Power Plant – TEŠ and the Velenje Coal Mine) were included in the general government balance sheet due to the transfer of ownership from HSE to SSH. This resulted in a change in the level of some aggregates, in particular higher revenue from the sale of goods and services and compensation of employees, intermediate consumption and expenditure on taxes on production (emission allowances). The inclusion of the two aforementioned companies in the balance sheet also affected the level of employment in the general government sector, which was consequently higher by around 1,300 people in 2025.
- The deficit was slightly higher than projected by the Fiscal Council in autumn last year, which was mainly due to the introduction of winter bonus and a higher volume of investments realised than expected. According to the projections made by the Fiscal Council and the Government in the autumn last year, this year's deficit is forecast to slightly increase further this year.
- At the end of 2025, the general government **debt** totalled EUR 65.7% of GDP, which was 0.7 p.p. of GDP less 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 45.2% of GDP at the end of the third quarter of last year, mainly due to the maintenance of high liquidity reserves.
- The war in the Middle East had an impact on the increase in the required yields on government bonds, which was at the end of March around 60 bps higher than in the last week of February before the start of the war. This year, Slovenia has raised the bulk of its necessary borrowing at a rate below the current market rate before the deterioration of borrowing conditions.

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<sup>5</sup> On 31 March 2026, the Statistical Office of the Republic of Slovenia (SURS) published the General government main aggregates for 2025. Available at <https://www.stat.si/StatWeb/News/Index/14268>.

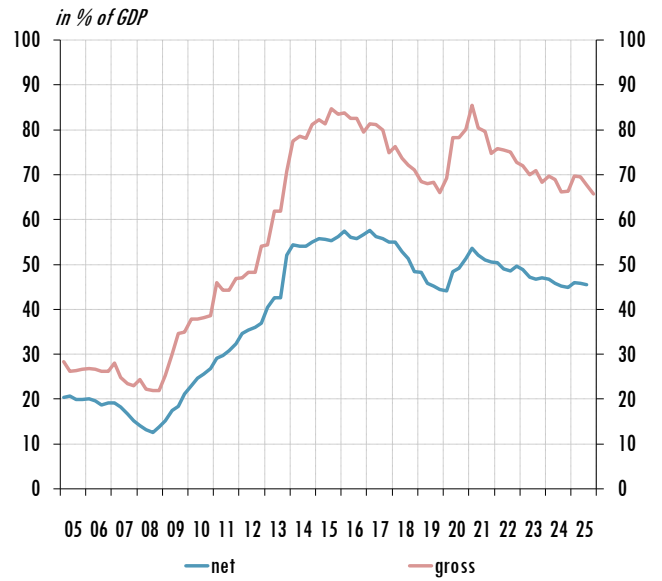
<sup>6</sup> In 2025, the gross operating surplus increased by 1.6%, its share in GDP being the lowest since 2001.

**Figure 5: Public finance balances**



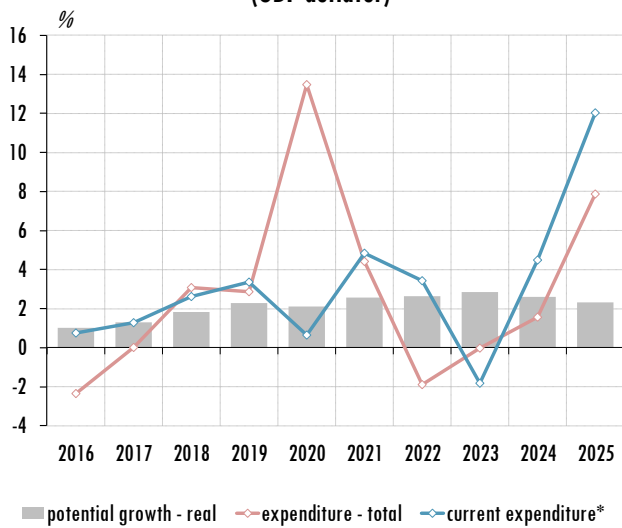
Source: SORS, MoF, FC calculations.

**Figure 6: Gross and net general government debt**



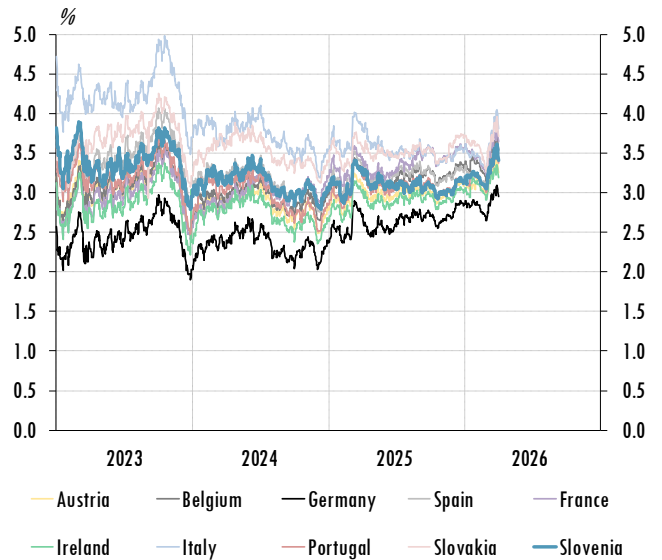
Source: SORS, BoS, FS calculations.

**Figure 7: General government expenditure real growth (GDP deflator)**



Source: SORS, IMAD, MoF, FC calculations. Note: \*expenditure excluding intervention measures, interest and investment.

**Figure 8: Yields on 10-year government EUR reference bonds**



Source: Bloomberg.