Speech by the President of the Fiscal Council at the 6th urgent session of the Commission for Public Finance Control, 12 November 2026

The Fiscal Council welcomes the analysis of dynamic effects prepared by the Ministry of Finance.

Just under two months ago, I addressed this Commission about the impact of the Intervention Measures for the Development of Slovenia Act on public finances. I will therefore not refer to the results of the analysis today, but will instead highlight its central message.

Differences between the assessments of the Ministry of Finance and the Fiscal Council are to be expected and arise from the data, assumptions and methods used. The key point, however, is that both assessments reach the same conclusion: while the measures could boost economic growth to some extent, the estimated feedback effects would not fully offset the direct revenue loss, even over the longer term. The entry into force of the Act would lead to a permanent fiscal deterioration of almost 1% of GDP.

We should consider the effects of the Act in a broader context. Fiscal space is limited, the baseline deficit remains high despite favourable macroeconomic conditions, conditions in international financial markets are tight, and expenditure pressures are mounting.

A responsible approach is therefore particularly important whenever further legislative changes are proposed that would reduce revenue or increase public expenditure. Before such proposals are adopted, their effects must be assessed transparently, and it must be explained how the proposals would be financed and how they would affect medium-term fiscal sustainability. In doing so, the policy objectives of individual measures are not questioned, while it is ensured that their implications for public finances are clearly presented.

Measures to support economic development are clearly needed. However, they must form part of a comprehensive development policy that takes account of fiscal constraints. Economic growth and fiscal sustainability are not conflicting objectives. Effective and responsible fiscal policy must create the conditions for both.

The Fiscal Council therefore once again calls for caution, comprehensive assessment and responsible consideration of all measures affecting public finances.