



REPUBLIC OF SLOVENIA
FISCAL COUNCIL

Monthly Information

June 2024

Key highlights¹

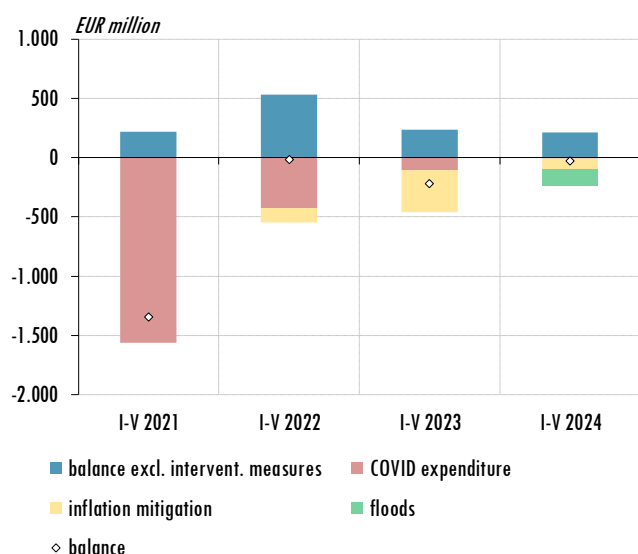
- According to preliminary data, the state budget, excluding the direct impact of intervention measures, recorded a surplus of EUR 210 million in the first five months of 2024, which was similar to the figure in the same period last year (EUR 237 million).
- The growth of "core" revenue (excluding intervention measures) was higher on average in the first five months of 2024 (6.6%) than in the same period last year (0.3%). The growth of "core" expenditure was also higher, at 7.4% (6.4% in the same period last year).
- The total volume of various intervention measures in the first five months of 2024 (EUR 240 million) was about half of that in the same period last year (EUR 459 million).

¹ The Fiscal Council will continue to publish in its regular monthly publication an overview of the state budget outturn under the cash flow methodology and of measures related to COVID-19 and to mitigating the cost-of-living crisis, subject to the availability of such data in the future. All comments refer to data known on 4 June 2024.

State budget in January to May 2024²

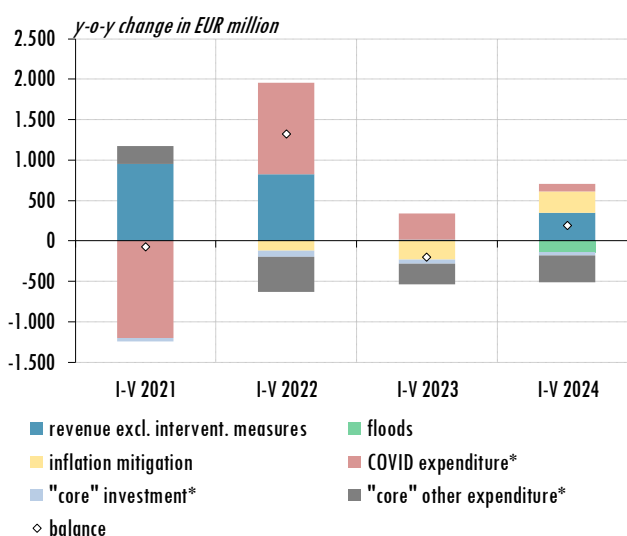
- According to preliminary data, the state budget recorded a deficit (EUR 30 million) in the first five months of 2024 but, excluding the direct impact of intervention measures, it recorded a surplus of EUR 210 million, which is similar to the same period last year (EUR 237).
- The growth of "core" revenue (excluding intervention measures) was considerably higher on average in the first five months of 2024 (6.6%) than in the same period last year (0.3%). The main contributor to the growth this year was higher corporate income tax revenue, driven by high growth in April, which was supported by the settlement of outstanding liabilities from the previous year. The impact of personal income tax revenue and higher non-tax revenue was also more significant. In contrast, VAT revenue growth slowed down and excise duties and EU funds were lower year-on-year.

Figure 1: State budget balance



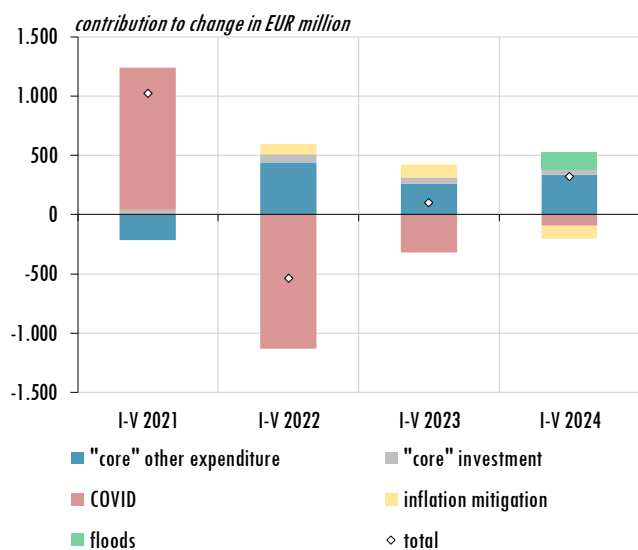
Source: MoF, FC calculations.

Figure 2: Factors of state budget balance change



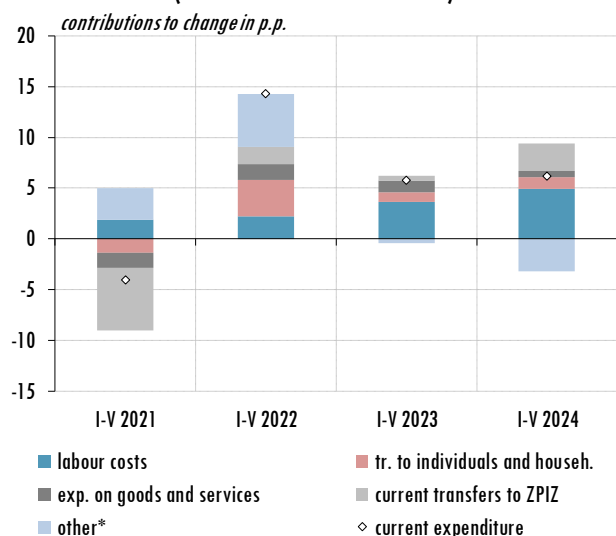
Source: MoF, FC calculations. *positive sign denotes a decrease, negative sign denotes an increase.

Figure 3: Structure of state budget expenditure growth



Source: MoF, FC calculations.

Figure 4: Current expenditure factors (excl. intervention measures)



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

² The comments on the state budget implementation refer to the daily data available at: <https://proracun.gov.si/Public/BudgetCurrent>. (Only in Slovene).

- The growth of "core" expenditure (excluding intervention measures) was 7.4% and slightly higher relative to the same period last year (6.4%). The main contributor to this year's growth and its strengthening relative to the same period last year were labour costs due to the early payment of holiday allowance and the transfer to the Pension and Disability Insurance Institute of Slovenia (ZPIZ) due to the high regular pension indexation. The impact of higher interest payments was also significant.

Implementation of intervention measures in the period January–May 2024

- As part of intervention measures, a total of EUR 149 million was paid out in the first five months of 2024 for post-flood recovery, with a total of EUR 717 million since August 2023. A further EUR 92 million was paid out this year to ease the cost of living crisis, including EUR 85 million to compensate electricity and natural gas suppliers. A further EUR 9 million was paid out from the state budget for COVID-19-related measures this year, EUR 5.3 million of which was spent on vaccines and inoculations.

Table 1: State budget

EUR million, unless stated otherwise	I-V 2023					I-V 2024					I-V 24/ I-V 23, in %		I-V 24/ I-V 23	
	total	COVID	infl.	floods	excl.	total	COVID	infl.	floods	excl.	total	excl.	total	excl.
			mitig.		interv.			mitig.		interv.		interv.		interv.
					measures					measures		measures		measures
Revenue	5.203	...	-154	...	5.356	5.718	...	...	11	5.707	9,9	6,6	515	351
VAT	1.981	...	-73	...	2.054	2.182	...	...	...	2.182	10,1	6,3	201	128
Excise duties	657	...	-33	...	690	653	...	...	...	653	-0,6	-5,4	-4	-37
Personal income tax	728	...	...	...	728	930	...	...	...	930	27,7	27,7	201	201
Corporate income tax	630	...	...	...	630	874	...	...	...	874	38,7	38,7	244	244
EU funds	445	...	...	...	445	287	...	...	...	287	-35,5	-35,5	-158	-158
Non-tax	242	...	...	...	242	271	...	...	...	271	11,7	11,7	28	28
Other revenue	519	...	-48	...	567	522	...	...	11	511	0,5	-9,9	3	-56
Expenditure	5.424	106	199	...	5.119	5.748	9	92	149	5.497	6,0	7,4	323	378
Total labour costs	1.626	13	6	...	1.607	1.823	0	...	0	1.823	12,1	13,4	197	216
Transfers to individ. and hhs	810	5	26	...	778	845	2	0	14	829	4,4	6,6	36	51
Goods and services	496	5	2	...	489	622	2	4	100	516	25,3	5,4	126	26
Investment	389	15	...	...	374	424	0	...	11	413	9,1	10,6	35	40
Current transfers to ZPIZ	485	0	...	...	485	604	...	...	...	604	24,6	24,6	119	119
Subsidies	415	33	162	...	220	246	1	87	10	147	-40,6	-33,0	-168	-72
Interest	370	...	...	...	370	436	...	...	...	436	18,0	18,0	67	67
Payments to the EU budget	274	...	...	...	274	240	...	...	...	240	-12,6	-12,6	-34	-34
Other expenditure	561	35	3	...	523	507	4	...	14	489	-9,6	-6,5	-54	-34
Balance	-222	-106	-353	...	237	-30	-9	-92	-139	210			192	-27

Source: MoF, FC calculations.