



EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS

The Director-General

Brussels, 19 October 2018

Dear Mr Lavrič,

We would like to thank you for the submission of Slovenia's Draft Budgetary Plan (DBP) for 2019, which we received on 15 October.

We acknowledge that the DBP only includes the policy measures that the government has adopted to date, with no new planned measures for 2019. We also take note of the government's commitment to submit an updated DBP for 2019 as soon as the draft budget for 2019 is sent to the Slovenian parliament.

We take note that the DBP projects the budget to remain in surplus at 0.5% of GDP in 2018 and 0.2% of GDP in 2019 and that thanks to the positive economic cycle the public debt ratio is expected to continue falling to 66.6% of GDP in 2019. The no-policy-change DBP projects a nominal growth rate of net primary expenditures of 3.9%, which exceeds the recommended maximum increase of 3.1%. The planned structural effort in 2019 amounts to -0.7% of GDP at face value which once recalculated by the Commission services according to the commonly agreed methodology amounts to -0.6% of GDP, while the Council on 13 July recommended a structural improvement of 0.65% of GDP.

While we understand that the presentation of the budget is lagging behind its usual schedule, we wish to highlight the importance of the submission of an updated DBP, as set out in the Code of Conduct of the Stability and Growth Pact.

Mr Žiga Lavrič
Counsellor
Permanent Representation of Slovenia to EU
Rue du Commerce 44
BE-1000 Brussels, Belgium

We therefore invite the Slovenian authorities to submit, as soon as possible, an updated DBP to the European Commission and the Eurogroup, which will ensure compliance with the targets set out in the Council recommendation for Slovenia.

My services stand ready to assist your services in this process.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M Buti', with a stylized flourish at the end.

Marco Buti