



EUROPEAN COMMISSION
 DIRECTORATE GENERAL
 ECONOMIC AND FINANCIAL AFFAIRS

The Director-General

Brussels, 30 January 2019

Dear Ms Lautar,

We would like to thank you for the submission of Slovenia's updated Draft Budgetary Plan (DBP) for 2019, which we received on 25 January. In line with the provisions of Article 7 of Regulation (EU) No. 473/2013, we are writing you to ask for clarifications on the compliance of Slovenia's planned fiscal effort in 2019 with the requirements of the preventive arm of the Stability and Growth Pact.

We take note that the updated DBP projects the budget to remain in surplus, at 0.8% of GDP in 2018 and 0.6% of GDP in 2019 and that thanks to the positive economic cycle the public debt ratio is expected to continue falling to 66.0% of GDP in 2019.

The updated DBP plans a nominal rate of growth of net primary government expenditure of 4.5%, which exceeds the recommended maximum increase of 3.1%. The planned structural deterioration in 2019 amounts to 0.5% of GDP at face value, which once recalculated, based on a preliminary assessment, by the Commission services according to the commonly agreed methodology amounts to 0.7% of GDP vis-à-vis the effort of 0.65% of GDP required in the Council recommendation of 13 July 2018.

We would thus welcome further information on the precise composition of the structural effort and expenditure developments envisaged in the updated DBP to see how to avoid the risk of a significant deviation from the recommended fiscal adjustment both in 2019 and over 2018 and 2019 together.

The Commission seeks to continue a constructive dialogue with Slovenia in order to come to a final assessment. We would welcome your views by 4 February 2019, close of business, to allow the Commission to take them into account before it provides its formal Opinion on your updated DBP. Our services stand ready to assist you in this process.

Yours sincerely,

Marco Buti

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