**The state budget 2020**

How is the state budget financed and what is your money spent on?

More than EUR 10 billion will be spent on priorities in the field of development, welfare state and security; at the same time, it is our responsibility to ensure long-term fiscal sustainability.

**Revenue, expenditure and surplus**

*figures in EUR million*

Revenue **10,773**

Expenditure: **10,358**

**Budget surplus** 415 million, i.e. 0.8% of GDP

**Science**

EUR 393 million is earmarked for science, which is a considerable increase compared to the previous years. Funds are allocated primarily to public research institutes, training and human resource development and research equipment.

**Entrepreneurship**

Promotion of competitiveness and entrepreneurship, entering foreign markets, technological development, investment and tourism is funded in the amount of EUR 193 million with a goal to increase the value added and improve the efficiency of businesses.

**Social security**

EUR 1.2 billion is allocated to social security, including child benefits, parental compensations, social assistance, unemployment benefits, scholarships, student meal subsidies and other benefits.

**Health**

In state budget EUR 198 million is allocated to the development of quality and accessible health services, to the improvement of medical care and to a more effective health care system. An additional EUR 3.3 billion is to be provided for this purpose from the Health Insurance Fund.

**Where does the money come from - Main sources of revenue**

*figures in EUR million*

Value added tax **4,189**

Excise duties **1,530**

Personal income tax **1,360**

Corporate income tax **1,111**

Funds received from the EU **1,071**

Other taxes and other duties **980**

Non-tax revenue (dividends, fees, fines) **532**

**Total 10,773**

**Tax relief on labour costs**

Work must pay off, which is why the tax burden on labour costs has been reduced. Following the tax relief on pay for annual leave up to the average wage amount in 2019, the Government is waving the additional revenue from personal income tax which will be partly compensated by the taxation of capital gains and partly by more efficient collection of public revenues.

**What is the money spent on - Budget expenditure**

*figures in EUR million*

Economic and foreign policy, public administration **719**

Environment and spatial planning, energy sector **398**

Social security **1,215**

Pension security **940**

Health **198**

Interest and borrowing expenses **771**

Intervention programmes **44**

Payments to the EU **501**

Transport **827**

Entrepreneurship and competitiveness **193**

Security **1,300**

Education, sport **1,864**

Culture **224**

Labour market **304**

Agriculture **467**

Science **393**

**Total 10,358**

**Education and sport**

EUR 1.9 billion or almost 18% of total budget expenditure is allocated to education and sport. This facilitates accessible and quality education and schooling. Approximately one half of the funds available is allocated to primary education, one-fifth to secondary, vocational and higher education programmes. Our aim is to ensure the quality of study programmes, mobility in the EU and beyond, as well as employability of students.

**Security**

In 2020, EUR 983 million is allocated to ensuring internal security, acquiring the equipment for police and activity against crime, implementing migration policy measures, modernising the Slovenian Armed Forces and natural and other disasters prevention. An additional 317 million is earmarked for the operation of courts and prosecution, the enforcement of criminal sanctions and for increasing the efficiency of judicial system.

**Environment and spatial planning**

EUR 273 million is planned to be spent on the environment and environmental infrastructure, primarily on implementing flood control measures, managing waste water treatment plants, adapting to climate change and on activities supporting biodiversity conservation. EUR 80 million will be earmarked for spatial planning and housing. An additional EUR 80 million is available from two extra-budgetary funds.

**Pensions**

The annual expenditure on pensions paid to over 600,000 retirees totals approximately EUR 5 billion, of which slightly less than EUR 1 billion is paid from the state budget. A pension indexation is scheduled for 2020; moreover, a EUR 145 million is scheduled for annual allowance.

**Investments**

An investment expenditure is planned at EUR 1.1 billion, which accounts for 11% of the state budget. More than half of these funds will be allocated to the financing of rail and road transport infrastructure. This also includes the co-funding of municipal projects. Government investment is also financed from extra-budgetary funds and is allocated to water management, environmental and climate policy and health care investments.

**We are reducing the general government debt and the costs of interest**

EUR 751 million is earmarked for interest payment from the state budget in 2020, which is the lowest amount since 2012 and EUR 332 million less than in 2014 when interest payment was at its highest.

General government debt will be reduced to approximately 62% of GDP in 2020 and to less than 60% of GDP in 2021, which is the maximum permitted debt limit set out in the EU rules.

**How to find information in budget documents**

The general part of the state budget contains information about raising and allocating public revenue. Budget users and programme areas are covered by the special part of the budget. The development programme plan is the third part of the state budget, which shows individual projects throughout their lifetime.

**We are preparing something new for you** - an interactive display of key state budget data that provides users with information on how public revenue is raised and allocated and on the publicly funded projects in your region or municipality. Starting next year you will be able to browse through the displayed data. We shall be happy to receive any feedback from you in respect of this informative leaflet and the displayed state budget data when available by email to mf.proracun@mf-rs.si.