



1 2024 FINANCING PROGRAMME

Financing Programme of the Republic of Slovenia Central Budget for the fiscal year 2024

The borrowing target for the fiscal year 2024 stands at €4.66 billion. The key figures of the Financing Programme are summarized in the following table:

2024 Central Government Budget Financing Needs (- I. - II. + III. - IV. + V.= VI.)	EUR 4.66 bn
I. Deficit of Balance A	2.22
II. Deficit of Balance B (Lending and Repayment Account)	0.49
III. Change (reduction) of the state budget cash position	0.60
IV. Debt redemption in 2024	2.55
V. Prefinancing executed in 2023 and privatisation proceeds	0.00
VI. Central Government Budget Financing Needs for 2024	4.66

Estimated Central Government Budget Debt Principal Repayments in 2025 and 2026	EUR 4.95 bn
Central government budget debt principal repayments in 2025	2.39
Central government budget debt principal repayments in 2026	2.56

2 SLOVENIA CREDIT RATING AFFIRMED

Rating Agency: S&P Global (AA-, Stable Outlook)

On Monday, 11 December, 2023, S&P Global published their rating review outcome on Slovenia. The rating for Slovenia remains unchanged AA-, outlook stable.

The full reports can be found on the S&P's website: <https://www.spglobal.com/>

Rating Agency: DBRS Morningstar (A (high), Stable Trend)

On Friday, 8 December, 2023, DBRS Morningstar confirmed the Republic of Slovenia's Long-Term Foreign and Local Currency – Issuer Ratings at A (high). The trend on all ratings remains stable.

The full report can be found on the DBRS Morningstar's website: <https://www.dbrsmorningstar.com/>

Current Slovenia credit ratings, according to main rating agencies:

Rating Agency	Rating	Outlook	Last Update
S&P Global	AA-	Stable	11-Dec-23
DBRS Morningstar	A (high)	Stable	08-Dec-23
Fitch	A	Stable	20-Oct-23
Moody's	A3	Stable	20-Oct-23

3

EUROPEAN COMMISSION GIVES GREEN LIGHT TO SLOVENIA'S SECOND PAYMENT REQUEST UNDER THE RRF

The Recovery and Resilience Plan (RRP) in Slovenia encompasses a diverse array of investments and reforms, with a primary focus on advancing the green and digital transition. The revised plan, now featuring a dedicated REPowerEU chapter, is set to include €1.61 billion in EU grants and €1.07 billion in loans. To date, Slovenia has received €231 million provided as advance payments in September 2021, €50 million for the initial tranche in April 2023 and €24 million grants in advance for the implementation of REPowerEU measures in the middle of December 2023.

In late November 2023, the European Commission conducted a favorable preliminary assessment of Slovenia's second payment request for RRF amounting to €536 million. This assessment was based on the accomplishment of 44 milestones, which included the implementation of a flood risk management plan, the establishment of a new framework for public transport, the promotion of renewable energy sources, the adoption of measures for broadband connections, and reforms related to the issuance of electronic identity cards.

As per European Commission data, Slovenia has received non-refundable support equivalent to 0.4% of its GDP from the RRP until November 2023. The utilization of RRP grants to fund expenditures will empower Slovenia to execute high-quality investments and reforms, thereby enhancing productivity without directly impacting the public finance balance or the country's debt levels.

4

FISCAL POLICY IN 2024 IN LINE WITH FISCAL RECOMMENDATIONS

On October 13, 2023, Slovenia presented the Draft Budgetary Plan for 2024. The Commission generally is of the opinion that Slovenia's fiscal policy in 2024 aligns with the Council's recommendations on fiscal policy for the same year. The Commission anticipates that the deficit of the general government in 2024 is to amount to 3.3% of GDP, with the share of government sector debt in GDP reducing to 68.4% by the end of 2024.

Given the expiration of the general escape clause at the end of 2023, country-specific quantitative fiscal recommendations on the maximum rate of net expenditure growth were issued in July 2023. Net expenditure, excluding interest expenditure, cyclical unemployment expenditure, EU funds, one-off expenditure and revenue, but including the impact of discretionary measures on the revenue side, is estimated by the Commission to increase by 2.9%, aligned with the recommendations. It's noteworthy that the Commission's estimates do not account for the reconstruction measures after the floods in August 2023, considered as one-off expenditure.

The Commission projects that publicly financed public investment will remain stable at 5.0% of GDP in 2024. Conversely, public expenditure financed by EU fund revenues, including RRF grants, is expected to increase to 1.8% of GDP in 2024, up from 1.6% of GDP in 2023.

For more detailed information from the European Commission, please visit the website: [c_2023_9519_si_en_en.pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/c_2023_9519_si_en_en.pdf).

DISCLAIMER: The information included in this Newsletter corresponds to the best value obtained for each period at the date of publication, and has been carefully compiled. The possibility of any mistake cannot, however, be excluded. The Treasury bears no responsibility for losses incurred as a result of using this document. This document may not be copied, distributed for any commercial purposes or published in any other way without the consent of the Treasury. This document contains information which are for information purposes only. They do not constitute an offer or invitation to subscribe or to purchase securities, nor are the information contained thereon meant to serve as a basis for any kind of obligation, contractual or otherwise.