



1 IMPROVED LONG-TERM BUDGETARY PROJECTIONS FOR SLOVENIA

According to the European Commission's 2024 Ageing Report, the costs of ageing in Slovenia are expected to increase from 22.1% of GDP in 2022 to 26.0% of GDP in 2045 and to 27.5% of GDP in 2070. With the exception of education expenditure, all categories of age-related public expenditure are expected to increase by 2070, and pension expenditure (from 9.8% of GDP in 2022 to 13.7% of GDP in 2070), which otherwise accounts for the largest share of the total cost of ageing, is expected to increase the most.

The long-term budgetary projections for Slovenia have improved significantly, which has important implications for the sustainability of public finances. The total cost of ageing is expected to increase by 2.7 percentage points less than in 2021 Ageing Report. The projections for all expenditure categories have improved, and most significantly for pension expenditure (by 1.9 percentage points).

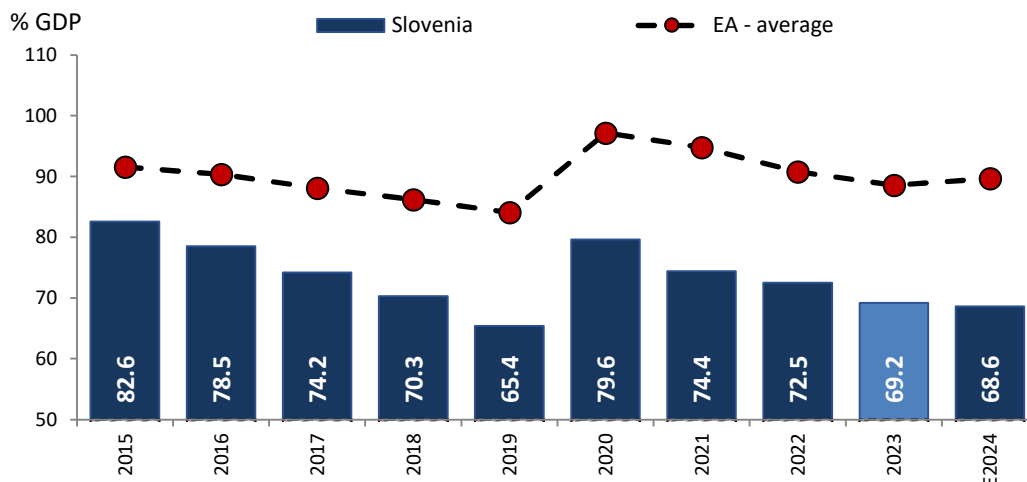
More detailed information from the European Commission can be found on the website: [c 2023_9519_si_en_en.pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/c2023_9519_si_en_en.pdf).

2 GENERAL GOVERNMENT DEBT AT 69.2% GDP AT YEAR END 2023

According to Statistical office of the Republic of Slovenia preliminary estimation gross debt of the general government sector amounted to EUR 43,670 million or 69.2% of GDP at year end 2023. Compared to the end of 2022, it increased in nominal terms by EUR 2,332 million, while decreasing relative to GDP by 3.3 percentage points.

In the euro area the government debt to GDP ratio decreased from 90.8% at the end of 2022 to 88.6% at the end of 2023. As shown in the figure below, Slovenia is widening its gap of the general government debt to GDP ratio against euro area average. The difference was -18.7 pps of GDP at the end of pre-Covid year (2019) in favour of Slovenia and -19.4 pps of GDP at the end of 2023. For 2024 central government financing operations will take into consideration meeting the target level of the general government debt of 68.6% of GDP.

Figure 1: Republic of Slovenia general government debt in comparison to Euro area average



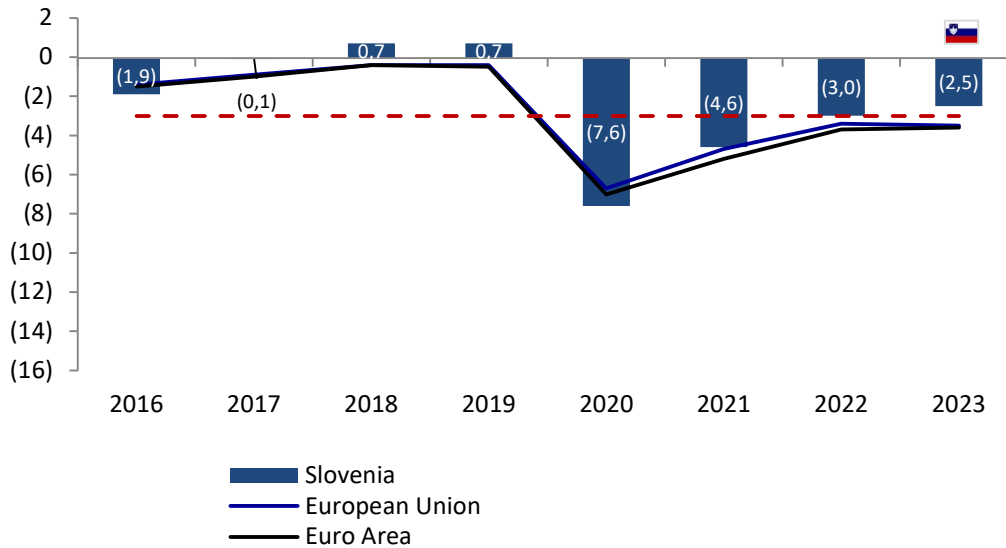
Source: Statistical Office of the Republic of Slovenia, Eurostat, Ministry of finance for the year 2024, EC Ameco Database (for EA in 2024), 7.5.2024

GENERAL GOVERNMENT DEFICIT AT 2.5% IN 2023

According to the report on the excessive deficit procedure published by Eurostat in April, Slovenia's general government deficit in 2023 amounted to EUR 1,552 million or 2.5% of GDP which is 0.5 percentage points lower than in 2022 (deficit of 3.0 % GDP).

In the euro area the government deficit to GDP ratio declined from 3.7% in 2022 to 3.6% in 2023, and in the EU it increased from 3.4% to 3.5%.

Figure 2: General Government Balance (% of GDP)



Source: Eurostat, Net lending (+) /net borrowing (-), 7.5.2024

SLOVENIA CREDIT RATING AFFIRMED AT UPPER MEDIUM TO HIGH GRADE

Rating Agency: Fitch Ratings (A, Stable Outlook)

On Friday, 12 April 2024, Fitch Ratings affirmed the unsolicited long-term sovereign rating of A for the Republic of Slovenia. The outlook remains stable.

The full report can be found on the FitchRatings website:

[Fitch Ratings: Credit Ratings & Analysis For Financial Markets](#)

Rating Agency: Moody's Credit Rating Agency (A3, Stable Outlook)

On Friday, 12 April 2024, Moody's Rating Agency affirmed the unsolicited long-term sovereign rating of A3 for the Republic of Slovenia. The outlook remains stable.

The full report can be found on the JCR Ratings website:

[Moody's - credit ratings, research, and data for global capital markets \(moodys.com\)](#)

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