

## SPRING 2017 REFORM BAROMETER – SLOVENIA

### European Semester - Overall assessment of 2016 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (February/November 2016) is appropriate.	To a large extent	The NRP was discussed and approved by the Economic-social council. ZDS emphasizes the need to reduce tax burden, especially on labour costs. Slovenia also needs to address demographic changes (pension, health reform) and the deficit of skilled workers on labour market.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	ZDS finds the importance of structural reforms (the reform of the long-term care and healthcare systems, pension system) crucial but they should be accepted in cooperation with the social partners on the highest level. The social dialogue especially considering health reform has been insufficient. Access to finance is still a very important issue. We also support the necessity of measures to modernise public administration and reduce the administrative burden on business.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

## Assessment of Country Specific recommendations 2016 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Following the correction of the excessive deficit, achieve an annual fiscal adjustment of 0,6 % of GDP towards the medium-term budgetary objective in 2016 and in 2017. Set a medium-term budgetary objective that respects the requirements of the Stability and Growth Pact. Strengthen the fiscal framework by appointing an independent fiscal council and amending the Public Finance Act. Complete and implement the reform of the long-term care and healthcare systems, making them more cost-efficient to ensure long-term sustainability of accessible and quality care. By the end of 2017, adopt the necessary measures to ensure the long-term sustainability and adequacy of the pension system.	Important	Mixed	The efforts to achieve the budgetary objective in 2016 and 2017 are sufficient. There has been no social dialogue regarding the health reform - the Ministry promised to present it in January 2017. Some dialogue was done on pension reform but no specific measures were determined.
CSR 2	In consultation with social partners, increase the employability of low-skilled and older workers, including through targeted lifelong learning and activation measures.	Helpful (but not a priority)	Unsatisfactory	Not much has been done on this area, the employment of older workers is still a problem.
CSR 3	Improve the financing conditions for creditworthy business, including by facilitating durable resolution of non-performing loans and access to alternative financing sources. Ensure the proper implementation of the bank asset management company strategy.	Extremely important	Satisfactory	
CSR 4	Take measures to modernise public administration and reduce the administrative burden on business. Improve the governance and the performance of state-owned enterprises.	Important	Unsatisfactory	Not much has been done on this area, the process of privatization is still slow.

## Reform Progress in your Member State in 2016

How would you assess reform progress in 2016, for the following broad areas:

<b>Taxation and Public Finances</b>	Mixed
<b>Business environment (regulation/access to markets)</b>	Unsatisfactory
<b>Labour market</b>	No progress
<b>Innovation and skills</b>	Unsatisfactory
<b>Access to finance and Financial stability</b>	Mixed

Is there any example of an economic reform, specific to your country that BUSINESSEUROPE could highlight in its 2017 Reform Barometer?

Slovenia adopted a tax restructuring measure, but instead of reducing tax burden, it was increased. With the change in personal income tax rates, the employees will receive a slightly higher net wage in 2017, but the corporate income tax was raised by 2 p.p.

## Reform priorities for 2017

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Tax reforms	Further measures to reduce tax wedge (redefining social contributions) and general tax burden are needed. We expect the new proposals of the Ministry of finance, following the tax changes enforced 1.1.2017.	no
<b>Priority 2</b>	Pension and health care reforms	The employers must be actively involved in the reforms of the health and pension systems, no additional burden for the employers is acceptable.	yes
<b>Priority 3</b>	Bank lending conditions	The banks should support investment and business opportunities.	no
<b>Priority 4</b>	Labour market mismatch and labour mobility	The issue of deficit of adequate workers on the labour market should be addressed in connection to education system.	no
<b>Priority 5</b>	Public sector efficiency		no