



### Secretariat of the Council for Budget Responsibility (SoCBR) estimates General Government Budget (GGB) deficit on the level of EUR 6,8 bn.

- **SoCBR has significantly increased the estimate of the GGB deficit in 2021 to the level of EUR 6.775 bn. (7.0 % of GDP).** The change compared to the November forecast is about EUR 282 mil. and is caused by higher expenditures on salaries and anti-epidemic measures.
- **Current measures due to the worsened pandemic situation pose an additional risk to public finance developments.** SoCBR also assumes that expenditure on additional compensatory measures will negatively influence the GGB deficit mainly in 2022.
- **The deviation of the expected GGB deficit from the current government estimate is positive at the level of EUR 943 bn. (1.0% of GDP), which means that the risk of a deficit rising above the level expected by the government is low.** The current government estimate published in the Draft Budgetary Plan for 2022-2024 assumes the deficit of 7.9% of GDP. However, the evolution of public finances is still affected by high uncertainty due to the ongoing pandemic and its implications for macroeconomic development.
- **Compared to government expectations, we estimate the most significant positive impact on the general government balance in state budget expenditures.** Saving of EUR 594 mil. (0.6% of GDP) is mainly due to a slower absorption of capital expenditures, as the low growth rate observed during the first eleven months does not correspond to the high level of year-end expenditures projected by the government.
- **Budgetary impact of pandemic government measures in the current forecast amount to a total of EUR 3.230 bn. (3.3% of GDP).** In comparison to the government's estimate, the budgetary impact is higher by EUR 54 mil. (0.05% of GDP).