



Budget 2022

-5213 Eur mil.
-4,9 % of GDP



SoCBR forecast

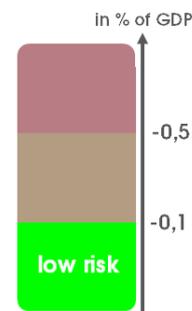
-5033 Eur mil.
-4,8 % of GDP



Deviation

+181 Eur mil.
+0,2 % of GDP

+0,2



expected deviation of the GG balance from the government objective under assumption that the government does not take additional measures

Secretariat of the Council for Budget Responsibility (SoCBR) estimates General Government Budget (GGB) deficit amounting to EUR 5,0 billion

- A positive deviation between the SoCBR's forecast for GGB deficit in 2022 and approved government budget amounts to EUR 181 million (0.2 % of GDP), which means that the risk of a deficit rising above the government objective is low. However, development of public finances is still affected by high uncertainty due to the ongoing pandemic and its implications for macroeconomic development.
- Consistently with the CBR's Evaluation of the GGB proposal, SoCBR does not expect spending of the whole budgeted sum of EUR 505 million that is conditional on approval of reforms. Corresponding expected savings amount to EUR 168 million (0.2 % of GDP).
- Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 5.033 billion (4.8% of GDP). The main positive risk for the GGB balance is due to a higher tax revenue forecast based on faster than expected fulfillment of these revenues at the end of the previous year. Additional receipts may amount to EUR 348 million (0.4 % of GDP).
- Development of public finances is still affected by the pandemic similarly to the previous year and SoCBR expects a drawdown of pandemic expenditures during the first half of 2022. **Budgetary impact of pandemic government measures in the current forecast amounts to a total of EUR 743 million (0.7 % of GDP)** and compared to the budgetary reserve contributes to a decrease in the deficit level amounting to EUR 24 million (0.02 % of GDP).
- We estimate the most negative impact on the general government balance relative to the GGB in expenditures of other subjects, where additional expenses above the budgeted level should amount to EUR 321 million (0.3 % of GDP). This expected worsening of economic results is due to undervalued levels of compensations and intermediate consumption in the budget.
- **Estimated GGB balance in 2022 is based on the updated forecast for year 2021**, since information about preliminary development of public finances in 2022 is not available yet. Based on actual published data, **GGB deficit in 2021 can reach the level of EUR 6.239 billion (6.4 % of GDP).**