

February 2022

Secretariat of the Council for Budget Responsibility



Budget 2022

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



SoCBR forecast

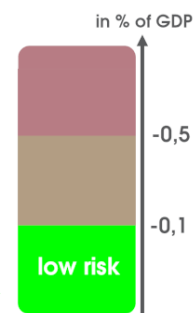
-4920 Eur mil.
-4,6 % of GDP



Deviation

+293 Eur mil.
+0,3 % of GDP

+0,3



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 4,9 billion

- **SoCBR has slightly decreased the estimated level of GGB deficit in 2022.** The change compared to the January forecast is about EUR 113 million (0.1 % of GDP) **and is due to higher expected growth of tax revenue and social contributions** mainly due to faster expected growth of the wage base. **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 4.920 billion (4.6 % of GDP).**
- **Estimated deviation between the SoCBR's forecast for GGB deficit in 2022 and approved government budget is still positive and amounts to EUR 293 million (0.3 % 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, a rapid rise in the price level and the conflict in Ukraine.
- **Development of public finances is still affected by the pandemic similarly to the previous year. Budgetary impact of pandemic government measures in the current forecast amounts to a total of EUR 763 million (0.7 % of GDP)** and compared to the budgetary reserve contributes to a decrease in the deficit level amounting to EUR 4 million.
- **We estimate the most negative impact on the general government balance in predicted expenditure levels of wages and intermediate consumption of other subjects.** These expenditures increase compared to the GGB in amount of EUR 418 million (0.4 % of GDP), which is due to the faster expected growth of the wage base and inflation relative to the previous macroeconomic forecast.
- **In the area of relationships with the EU budget, the negative risk for the budget arises from the expected recording of the one-off payment of duty not paid in previous years and amounting to EUR 526 mil. (0.5 % of GDP),** which represents additional expenditures compared to the corresponding reserve in the amount of EUR 200 mil. (0.2 % of GDP).
- **Estimated GGB balance in 2022 is based on the updated forecast for year 2021,** since information about development of public finances in 2022 is available only to the limited extent. Based on actual published data, **GGB deficit in 2021 can reach the level of EUR 6.305 billion (6.5 % of GDP).**