

March 2022

Secretariat of the Council for Budget Responsibility



Budget 2022

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



SoCBR forecast

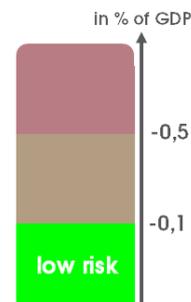
-4627 Eur mil.
-4,4 % of GDP



Deviation

+586 Eur mil.
+0,6 % of GDP

+0,6



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 4,6 billion

- **SoCBR has lowered the estimated level of GGB deficit in 2022.** A difference compared to the February forecast amounts to EUR 293 million (0.3 % of GDP). **The decrease in the deficit is mainly due to a lower expected negative impact of the one-off payment of custom duty to the EU budget. The duty is overdue from past years and the principal payment was paid in the amount of EUR 277 million (0.3 % of GDP) in 2021.** Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 4.627 billion (4.4 % of GDP).
- **Estimated deviation between the SoCBR's forecast for GGB deficit in 2022 and approved government budget remains positive and amounts to EUR 586 million (0.6 % 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 a rapid rise in the price level and the conflict in Ukraine.
- **The balance estimate includes the impact of government measures adopted in response to the war conflict in Ukraine.** Under the assumption that a total number of 116 thousand people will apply for a temporary refuge in Slovakia and **considering the current government measures, we estimate an additional budget expenditure in amount of EUR 301 million (0.3 % of GDP).**
- **Development of public finances is still affected by the ongoing pandemic.** Expected total budgetary impact of pandemic government measures amounts to a total of EUR 616 million (0.6 % of GDP) and compared to the budgetary reserve contributes to a decrease in the deficit level amounting to EUR 151 million (0.1 % 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 5.868 billion (6.0 % of GDP),** what means an improvement over the budget target of 2021 by EUR 1.223 billion (1.3 % of GDP).