

April 2022

Secretariat of the Council for Budget Responsibility



Budget 2022

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



SoCBr forecast

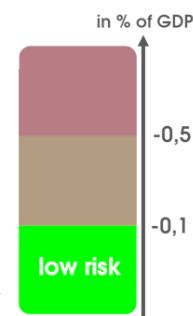
-4700 Eur mil.
-4,5 % of GDP



Deviation

+513 Eur mil.
+0,5 % of GDP

+0,5



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 4,7 billion

- **SoCBr has slightly increased the estimated level of GGB deficit in 2022.** A negative difference compared to the March forecast amounts to EUR 73 million (0.1 % of GDP). **The increase in the deficit level is mainly due to higher pandemic expenses** (especially additional tests and vaccines expenses), **additional fiscal costs of measures proposed to compensate impact of a higher inflation rate and increased expected level of defense investment** in line with assumptions of the Stability Programme approved by the government. **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 4.700 billion (4.5 % of GDP).**
- **Estimated deviation between the SoCBr's forecast for GGB deficit in 2022 and approved government budget remains positive and amounts to EUR 513 million (0.5 % of GDP), which means that the risk of public 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.
- **Measures proposed by government coalition parties to help selected groups and support families contributed to growth of the forecasted deficit by an amount of EUR 177 million (0.2 % of GDP).** Total costs in 2022 can reach the level of EUR 277 million (0.3 % of GDP), while SoCBr expects that the remaining part of EUR 100 million will be financed from the use of economic reserve assumed already in previous forecasts.
- **The total fiscal impact of government measures related to the war in Ukraine amounts to EUR 331 mil. (0.3% of GDP).** Based on current information, SoCBr expects reimbursement of expenditures from EU resources amounting to EUR 209 million (0.2 % of GDP).
- **The development of public finances is in the current year still affected by the ongoing pandemic.** **Expected total budgetary impact of pandemic government measures amounts to a total of EUR 812 million (0.8 % of GDP)** and compared to the budgetary reserve contributes to an increase in the deficit level amounting to EUR 45 million (0.05 % of GDP).