

July 2022

Secretariat of the Council for Budget Responsibility



Budget 2022

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



SoCBR forecast

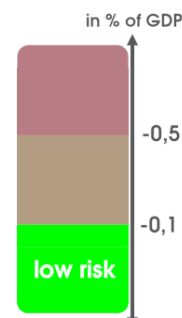
-3972 Eur mil.
-3,7 % of GDP



Deviation

+1242 Eur mil.
+1,1 % of GDP

+1,1



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 4,0 billion

- **SoCBR has slightly increased the estimated level of GGB deficit in 2022.** A negative difference compared to the June forecast amounts to EUR 59 million (0.1 % of GDP). **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 3.972 billion (3.7 % of GDP).**
- **Estimated deviation between the SoCBR's forecast for GGB deficit in 2022 and approved government budget remains positive and amounts to EUR 1 242 million (1.1 % 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 war conflict in Ukraine.
- **Tax and levy revenues represent the most significant positive impact on the estimated level of deficit by EUR 1 833 million (1.7 % of GDP). We expect higher budgetary revenues especially from taxes, where high inflation increases the growth of macroeconomic bases compared to budget assumptions (especially labor taxes and VAT).**
- **The estimate also includes the payment of a one-time 500 EUR bonus for employees in the state and public service agreed as part of the collective agreement, the impact on the deficit amounts to EUR 228 million (0.2 % of GDP).**
- **The total fiscal impact of government measures related to the war in Ukraine amounts to EUR 344 mil. (0.3% of GDP).** Due to missing information, SoCBR does not expect reimbursement of expenditures from EU resources.
- **Absorption of EU funds and RRP is still lower than previously expected, what is reflected in low levels of co-financing expenditures compared to the budget by EUR 278 million (0.3 % of GDP).**