

September 2022

Secretariat of the Council for Budget Responsibility



Budget 2022

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



SoCBB forecast

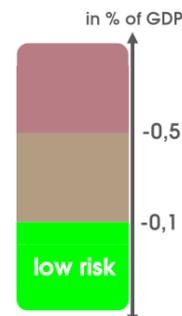
-3760 Eur mil.
-3,5 % of GDP



Deviation

+1454 Eur mil.
+1,4 % of GDP

+1,4



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 (SoCBB) estimates General Government Budget (GGB) deficit amounting to EUR 3,8 billion

- **SoCBB has slightly decreased the estimated level of GGB deficit in 2022.** A positive difference compared to the August forecast amounts to EUR 29 million (0.03 % of GDP). **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 3.760 billion (3.5 % of GDP).** Despite additional expenditures resulting from new government measures, the GGB deficit is decreasing due to **the persistently slow spending of state budget capital expenditures and investments from the RRP.**
- **The current estimate includes expenditures for the government's proposed second payment of the 13th pension** in the amount of EUR 208 million (0.2 % of GDP). **In case of approval of the amendment to the State Budget Act, resources would be created to finance additional expenditures,** which could increase the GGB deficit by up to EUR 1 290 million (1.3 % of GDP).
- **Estimated deviation between the SoCBB's forecast for GGB deficit in 2022 and approved government budget remains positive and amounts to EUR 1 454 million (1.4 % 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.
- **Income from tax revenues and social contributions represent the most significant positive impact on the estimated level of deficit by EUR 1 684 million (1.6 % 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).
- **Absorption of EU funds and RRP is still lower than previously expected,** what is reflected in a low level of co-financing expenditures compared to the budget with a deviation amounting to EUR 326 million (0.3 % of GDP).