

November 2022

Secretariat of the Council for Budget Responsibility



Budget 2022

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



SoCBR forecast

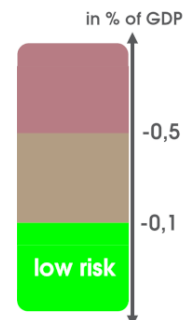
-3772 Eur mil.
-3,5 % of GDP



Deviation

+1441 Eur mil.
+1,3 % of GDP

+1,3



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 3,8 billion

- **SoCBR has slightly decreased the estimated level of GGB deficit in 2022.** A positive difference compared to the October forecast amounts to EUR 63 million (0.1 % of GDP). **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 3 772 million (3.5 % of GDP).** Month-to-month decreasing of GG deficit is mainly due to **expected lower drawdown of capital expenditures by other GG entities.**
- **Energy prices compensation measures increase the deficit by the amount of EUR 418 million (0.4 % of GDP).** Total costs of compensation schemes (including the 14th pension) amount to EUR 731 million (0.4 % of GDP), while SoCBR in accordance with the government's assumptions expects income from the EU regulation regarding excessive profits in the amount of EUR 313 million.
- **Estimated deviation between the SoCBR's forecast for GGB deficit in 2022 and approved government budget remains positive and amounts to EUR 1 441 million (1.3 % of GDP), which means that the risk of the public deficit level rising above the government objective is low.**
- **Income from tax revenues and social contributions represent the most significant positive impact on the estimated level of deficit by EUR 1 524 million (1.4 % 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).
- **According to the Draft Budgetary Plan for 2023-2025 approved by the government, the deficit in 2022 amounts to EUR 5 398 million (5.0 % of GDP),** what exceeds the SoCBR's forecast by EUR 1 620 million (1.5 % of GDP). The most significant difference is identified in state budget capital expenditures, where the government does not incorporate the slow spending observed during the year.