

April 2023

Secretariat of the Council for Budget Responsibility



Budget 2023

-6.4 % of GDP
-7 871 Eur mil.



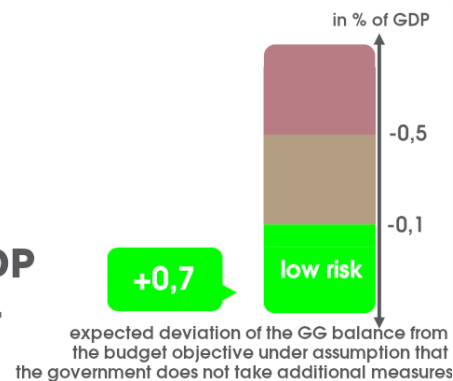
SoCBR forecast

-5.8 % of GDP
-6 997 Eur mil.



Deviation

+0.7 % of GDP
+875 Eur mil.



Secretariat of the Council for Budget Responsibility (SoCBR) estimates the 2023 General Government Budget (GGB) deficit at 5.8 % of GDP

- **SoCBR has slightly reduced the estimated level of GGB deficit in 2023.** Positive difference compared to the March forecast amounts to EUR 96 million. **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 6 997 million (5.8 % of GDP).** Month-to-month decline of GG deficit is caused mainly by the lower estimated expenses for the compensation of energy prices, which is caused by the slower drawdown in the first quarter of the year compared to the previous assumptions and considering data published in the Stability Programme approved by the government.
- **Estimated deviation between the SoCBR's forecast for the 2023 GGB balance and the approved budget is positive at 0.7 % of GDP, which means that the risk of the public deficit level rising above the government objective is low.**
- **Compared to the government's estimate published on April 26, 2023 in the Stability Programme for the years 2023 to 2026, the level of the deficit forecast by SoCBR is lower by 0.5 % of GDP.**
- **Expected expenditures of government measures to compensate high energy prices reach the level of EUR 2 957 million (2.4 % of GDP),** of which expenses in the amount of EUR 512 million (0.5 % of GDP) should be financed from EU funds. After considering budgeted reserve, revenue from the windfall taxation of petroleum companies and electricity production companies is **the overall impact of measures on the budget deficit positive in the amount of EUR 1 008 million (0.8 % of GDP).**
- **Income from tax revenues and social contributions represents the most significant negative risk for the budget balance,** the estimated shortfall reaches the level of EUR 684 million (0.6 % of GDP). Revenues are reduced by measures not included in the budget, in particular the reduction of the VAT rate for the restaurants and catering services and increase in the tax bonus.