

May 2023

Secretariat of the Council for Budget Responsibility



Budget 2023

-6.4 % of GDP
-7 871 Eur mil.



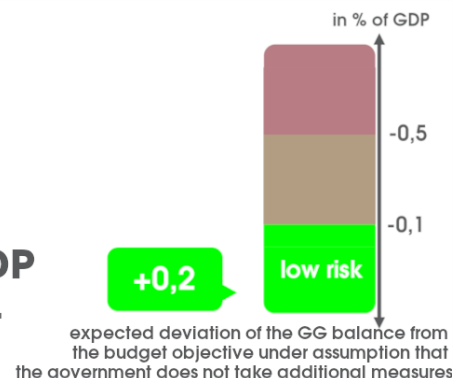
SoCBR forecast

-6.2 % of GDP
-7 500 Eur mil.



Deviation

+0.2 % of GDP
+371 Eur mil.



Secretariat of the Council for Budget Responsibility (SoCBR) estimates the 2023 General Government Budget (GGB) deficit at 6.2 % of GDP

- **SoCBR has significantly increased the estimated level of GGB deficit in 2023.** Negative difference compared to the April forecast amounts to EUR 503 million. **Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 7 500 million (6.2 % of GDP).** Month-to-month increase of GG deficit is caused mainly by the newly approved extraordinary valorization of pensions and parental allowance.
- **Estimated deviation between the SoCBR's forecast for the 2023 GGB balance and the approved budget is positive at 0.2 % of GDP, which means that the risk of the public deficit level rising above the government objective remains low.**
- **Compared to the government's estimate published in the Stability Programme for years 2023 to 2026, the level of the deficit forecast by SoCBR is lower by 0.03 % of GDP.**
- **Expected expenditures of government measures to compensate high energy prices reach the level of EUR 2 964 million (2.5 % of GDP),** of which expenses in the amount of EUR 495 million (0.4 % 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 budgetary impact of measures lower than budgeted level in the amount of EUR 1 134 million (0.9 % 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 629 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.