

June 2023

Secretariat of the Council for Budget Responsibility



Budget 2023

-6.4 % of GDP
-7 871 Eur mil.



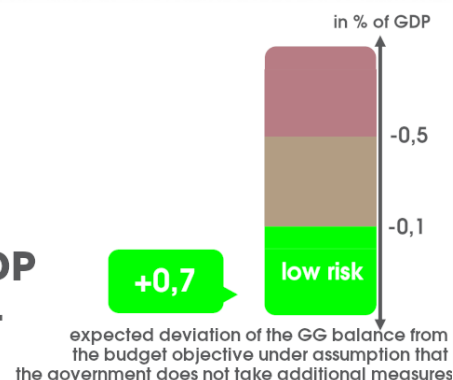
SoCBR forecast

-5.7 % of GDP
-6 996 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 5.7 % of GDP

- SoCBR has significantly decreased the estimated level of GGB deficit in 2023. Positive difference compared to the May forecast amounts to EUR 504 million. Under the assumption that the government does not take additional measures, the deficit can reach the amount of EUR 6 996 million (5.7 % of GDP). Month-to-month decrease of the GG deficit level is caused by an increase in the expected rate of EU funds reimbursement of expenses compensating high energy prices.
- 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 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 0.4 % of GDP.
- Expected expenditures of government measures to compensate high energy prices reach the level of EUR 2 935 million (2.4 % of GDP), of which expenses in the amount of EUR 1 056 million (0.9 % 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 1 595 million (1.3 % of GDP).
- The worsened financial performance of local governments represents the most significant negative risk for the budget balance, the worse estimated economic result reaches the level of EUR 542 million (0.4 % of GDP). We expect a negative outcome particularly in financial performance of municipalities, where the deterioration compared to the budgeted level net of taxes and on a consolidated basis is at the amount of EUR 406 million (0.3 % of GDP).