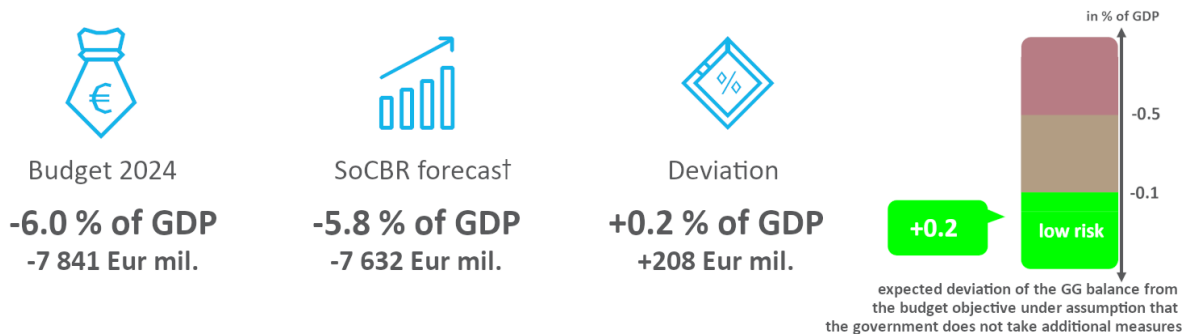


The estimated deficit for 2024 increased above the level of EUR 7.6 billion mainly due to decrease in VAT revenue and growth in pensions



Secretariat of the Council for Budget Responsibility (SoCBR) estimates the 2024 General Government Budget (GGB) deficit at 5.8 % of GDP

- SoCBR has significantly increased the estimated level of GGB deficit in 2024. The negative difference compared to the August forecast amounts to EUR 259 million. Month-to-month increase of the GG deficit level is mainly caused by decrease of tax revenue, mainly concerning VAT, and increase of the Social Insurance Agency expenditures on old-age pensions.
- **According to the SoCBR, the deficit can reach the level of 5.8 % of GDP (EUR 7 632 million),** based on current information and under the assumption that the government does not take additional measures.
- **Positive deviation from the approved budget amounts to 0.2 % of GDP,** which means that the risk of the public deficit level rising above the government objective is low. However, contrary to the declared year-on-year decrease in the deficit level by 0.5 p.p. of GDP, **SoCBR estimates an increase in the GG deficit level relative to year 2023 by 0.9 p.p. of GDP,** the increase amounts to EUR 1.6 billion.
- Compared to the government's estimate published in a mid-August report on expected budget outcome, the level of the SoCBR deficit forecast is lower by 0.1 % of GDP.
- The estimated slower spending of state budget current expenditures represents the most significant positive impact on the GG balance compared to the budget. Based on developments observed in previous years, SoCBR does not expect an increase of expenditures to the budgeted levels.
- On the other hand, we expect the most significant negative impact on the GG balance in government measures to compensate high energy prices, since the budget relied on financing from EU funds, which entered the deficit in 2023. The next negative risk is in healthcare due to worsened financial performance of hospitals and observed higher growth of healthcare expenses.

Underlying data are published [in a data file available on the CBR website.](#)

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