


Spending growth has increased the deficit estimate for 2025 to 4.9 % of GDP, the risk of not meeting budget targets also increased for fulfillment of public expenditure ceiling

| | Gov. targets | CBR forecast | Deviation | Budget risk |
|-----------------------------|---------------------|---------------------|---------------------|---|
| General government balance | -4.7 % GDP | -4.9 % GDP | -0.2 % GDP |  |
| Net expenditure growth | 3.8 % | 3.9 % | +0.1 p.p. | |
| Public expenditure ceilings | EUR 61.1 bn. | EUR 61.5 bn. | +EUR 0.4 bn. | |

Council for Budget Responsibility (CBR) estimates the 2025 general government (GG) deficit at 4.9 % of GDP

- CBR has increased the estimated level of GG deficit in 2025 and at the same time increased the risk of rising the public deficit level above the government objective. Month-to-month increase of the GG deficit level is mainly due to faster wage growth and new measures.
- **According to the CBR, the deficit can reach the level of 4.9 % of GDP (EUR 6.8 bn.),** under the assumption that the government does not take additional measures. **Negative deviation from the approved budget amounts to 0.2 % of GDP (EUR 234 million),** which means the medium-level risk of the public deficit level exceeding the government objective. The deficit is almost the same as the current government estimate published in the Annual Performance Report.
- The most significant negative deviation in the CBR forecast compared to the budget comes from a lower tax income and social and healthcare contributions, mainly due to a lower income from VAT and CIT.
- As a part of the budgetary traffic light, CBR also estimates the fulfillment of the nominal public expenditure ceiling approved in the budget. According to the CBR, the estimated public expenditure can reach EUR 61.5 bn., so **the expenditure ceiling approved by the parliament would be exceeded by EUR 0.4 bn.** The expected deviation represents a medium risk of not meeting this target.
- **Month-to-month expected exceedance of expenditure ceiling increased by EUR 245 million.** In addition to the faster growth of expenditures in 2025, the increase was also due to the higher resulting level of expenditures in 2024 compared to the previous assumptions. This change is incorporated into the current year as a balance adjustment without impact on the GG deficit.

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

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