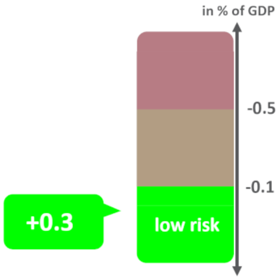
A slower spending of the current expenditure by the state budget reduced the deficit estimated for 2024 to the level of EUR 7.4 billion

Budget 2024	SoCBR forecast	Deviation
-6.0 % of GDP	**-5.7 % of GDP**	**+0.3 % of GDP**
-7 841 Eur mil.	**-7 391 Eur mil.**	**+450 Eur mil.**



note: negative impact of change in denominator (nominal GDP) on deficit equals 0.1 ppt

Secretariat of the Council for Budget Responsibility (SoCBR) estimates the 2024 General Government Budget (GGB) deficit at 5.7 % of GDP

- SoCBR has decreased the estimated level of GGB deficit in 2024. The positive difference compared to the April forecast amounts to EUR 196 million. Month-to-month decrease of the GG deficit level is due to estimated slower spending of the state budget current expenditures.
- **According to the SoCBR, the deficit can reach the level of 5.7 % of GDP (EUR 7 391 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 0.3 % of GDP**, which means that the risk of the public deficit level rising above the government objective is low. However, contrary to budgeted year-on-year decrease in the deficit level, **SoCBR estimates an increase in the GG deficit level relative to year 2023 by 0.8 p.p. of GDP,** the increase amounts to EUR 1.4 billion.
- Compared to the government's estimate published in the Stability Programme for years 2024 to 2027, the level of the SoCBR deficit forecast is lower by 0.2 % 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 partially relied on financing from EU funds, which entered the deficit in 2023. The next negative risk is presented by tax revenue, where the lower income from labor taxes results from the slower growth of nominal wages in the economy compared to the budgetary assumptions.

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

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