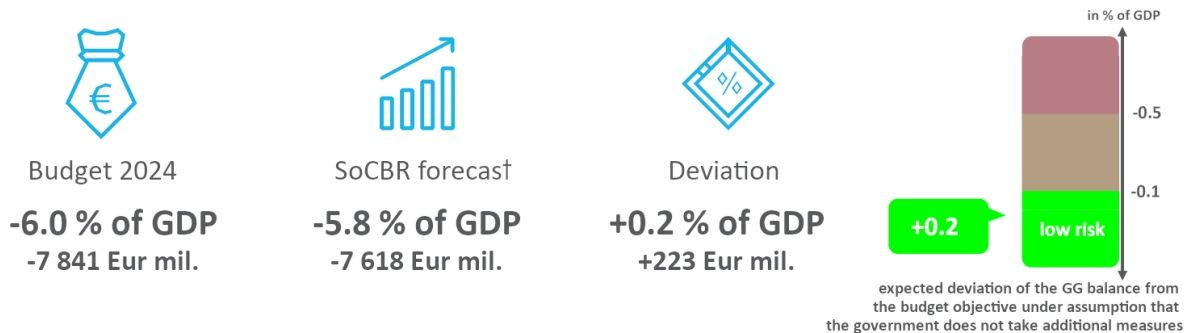


Expenditure growth slightly increased the estimated deficit for 2024 above the level of EUR 7.6 billion



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

- SoCBR has prepared an estimate of the GG deficit based on the results of the cash performance of the state budget at the end of December. The share of the total state budget cash expenditures to the total GG expenditures consistent with ESA 2010 methodology is equal to 50.2 %. Further refinement of the estimate will be carried out after publication of cash performance results as well as the balance sheets for all GG entities.
- The negative difference compared to the November forecast amounts to EUR 40 million. Month-to-month increase of the GG deficit level is mainly due to faster spending of the state budget capital expenditures and expenditures on co-financing at the end of the year, the impact of which on the deficit was only partially compensated by the higher return of non-tax revenues.
- **According to the SoCBR, the deficit can reach the level of 5.8 % of GDP (EUR 7 618 million).** This estimate represents a positive deviation from the approved budget of 0.2 % of GDP.
- The slower spending of state budget current expenditures represents the most significant positive impact on the GG balance compared to the budget. The final expenditures spending, in accordance with estimates, fell short of the budgeted levels.
- On the other hand, we expect the most significant negative impact on the GG balance in healthcare due to higher growth of healthcare expenses and worsened financial performance of hospitals. The next negative risk we estimate in lower tax income due to lower expected income from VAT.
- Even though the government in the approved budget for 2024 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 0.6 p.p. of GDP, the increase amounts to EUR 1.2 billion.**
- Compared to the government's estimate published in the Draft Budgetary Plan for 2025-2027, the level of the SoCBR deficit forecast is almost the same.

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

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