


The first estimate of the 2025 deficit amounts to 5.0 % of GDP, the budget target can be exceeded by 0.3 % of GDP (EUR 385 million)

	Gov. targets	CBR forecast	Deviation	Budget risk
General government balance	-4.7 % GDP	-5.0 % GDP	-0.3 % GDP	
Net expenditure growth	3.8 %	3.0 %	-0.8 p.p.	
Public expenditure ceilings	EUR 61.1 bn.	EUR 61.1 bn.	EUR -0.0 bn.	

Council for Budget Responsibility (CBR) estimates the 2025 general government (GG) deficit at 5.0 % of GDP

- CBR publishes its first release of the budgetary traffic light for 2025. In addition to the GG balance forecast, it will include an estimate of net expenditure growth (according to the new European fiscal limits) and an evaluation of compliance with public expenditure ceilings (according to domestic legislation) on a monthly basis.
- **According to the CBR, the deficit can reach the level of 5.0 % of GDP (EUR 6.9 bn.),** under the assumption that the government does not take additional measures. **Negative deviation from the approved budget amounts to 0.3 % of GDP (EUR 385 million),** which means the medium-level risk of the public deficit level exceeding the government objective.
- 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.
- On the other hand, we forecast the most significant positive impact on the GG balance compared to the budget in the saving of state budget current expenditures, mainly due to assumed saving of a reserve for deteriorated economic development.
- As a part of the budgetary traffic light, CBR estimates the net expenditure growth, which according to the current European fiscal rules cannot exceed the maximum allowed growth rate. The net expenditure growth estimate amounts to 3.0 %, which is slower than the allowed growth by 0.8 p.p. 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 61.1 bn., so the expenditure ceiling approved by the parliament should not be exceeded.

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