

Budget deficit to rise to 9.1 of GDP after amendment

The budget deficit will rise to 9.1% of the Gross Domestic Product at the budget amendment that will be adopted in the next period, Minister of Finance Florin Citu told a press conference on Wednesday.

"The Ministry of Public Finance proposes a budget amendment with a deficit of 9.1% of the Gross Domestic Product and an economic contraction of 4.2%," said Citu.

According to the Finance minister, the increase in the deficit is mainly generated by the failure to collect 4.2 billion lei in the last part of the year as a result of the decision to reschedule the payment of the debts that the companies incurred from March to October 2020.

"The non-collection comes from the decision that those who incurred debts in the period from the beginning of the state of emergency until October 25 to be able to reschedule for the next 12 months. We estimate that as a result of these decisions we will not collect this money, but this is money that companies keep, money that stays in the economy," he said.

As regards the third amendment this year, Minister Citu specified that the expenditures of the general consolidated budget will increase and listed among the priorities health, social assistance, education and investments.