

PM Citu: 2021 budget counts on RON 364.9 billion revenues, up from last year

The 2021 budget is based on a consolidated general budget deficit of RON 80 billion and revenues of RON 364.9 billion, an increase of 42.4 billion lei compared to the previous year, Prime Minister Florin Citu said on Monday in Parliament's joint plenary sitting.

"The 2021 budget is based on a deficit of RON 80 billion in the consolidated general budget. (...) The revenues of the consolidated general budget for 2021 are RON 364.9 billion, up by RON 42.4 billion compared to the previous year, when we succeeded, despite all the things you said about us in the public space, to have revenues as high as in 2019, when you had economic growth. So, to be clear to everyone: in the biggest crisis of the last hundred years, the PNL [the National Liberal Party] Government has succeeded in getting equally high revenues in a year in which you had economic growth," Citu said at the general debate on the draft State Budget Law 2021.

Then the premier presented details in connection with the elements had in mind at estimating the budget revenues.

"In estimating the budget revenues for 2021, the following were taken into account: the RON 7.3 billion ANAF [National Tax Administration Authority] estimate on the recovery of tax obligations declared and deferred from payment by the effect of the law, last year; the RON 2.7 billion ANAF estimate on the positive effects on the collection of budgets resulting from the digitization of ANAF and 5 billion annual distribution of the minimum 75 pct share of unrealized profit in the form of dividends/payments to the state budget, and RON 2.6 billion representing amounts to be settled from European funds on measures to prevent and combat the COVID-19 pandemic," Citu said.

Regarding the expenditure of the consolidated general budget, the head of the Executive noted that these are estimated at "RON 444.9 billion, up by RON 20.5 billion compared to last year".

"From the outset, the construction of the 2021 budget was supplemented by the amounts needed to pay pensions, which increased, and allowances, which increased, amounting to RON 10.4 billion; this year's allocations have increased by 20 pct, I do not know if for you, too, but we are checking, plus mandatory expenditure of RON 5.7 billion interest and the EU contribution. Yes, the EU contribution, where you want to take the money from, so that you can give it to the local barons, through the amendments you kept tabling in the Romanian Parliament," Citu told the Social Democrats.

The Prime Minister noted that the investments in the 2021 budget are "by RON 8.2 billion higher".

"So the adjustment of the internal deficit in the ESA in 2021 is moderate, in order to continue the broad fiscal support from 2020, to remove the negative effects created by the COVID-19 pandemic. Simply put, fiscal policy this year remains stimulating, so you can't talk about austerity when budget spending increases, when you have an incentive fiscal policy, to translate it for you. The budget is built to encourage economic recovery in 2021, but at the same time reduce the budgetary imbalances that have appeared during the period - and, again, please note - 2017-2019, when you were deferring invoices and incurring expenses. There are expectations from the business environment, such as transparency, predictability, stability, simplification in tax legislation, and that's what we're going to do. I promised last year and I have kept my word. We have not introduced taxes into this budget and no other taxes have increased. We keep our promise in terms of taxes," PM Citu told the Social Democrats.