

Romania, one of largest government deficit in EU in 2020

All EU member states ended 2020 with a government deficit, but the highest values were registered in Spain (11 % of GDP), Malta (10.1 % of GDP), Greece (9.7 % of GDP), Italy (9.5 % of GDP), Belgium (9.4 % of GDP), France and Germany (both with a deficit of 9.2 % of GDP), according to the preliminary data published on Thursday by Eurostat.

According to these numbers, based on the ESA methodology, Denmark was the only EU member country that had a government deficit lower than the 3% limit of the GDP, as provided for in the Stability and Growth Pact (SGP).

At the level of the European Union, the government deficit has sky rocketed, to 6.9% of GDP in 2020, from a deficit of 0.5% of the GDP in 2019, while in the Euro zone there was a growth from 0.6% of the GDP to 7.2% of the GDP.

In Romania's case, the Eurostat data shows that the government deficit has doubled, rising from 46.243 billion RON (or 4.4% of the GDP) in 2019, to 97.632 billion RON (9.2% of the GDP) in 2020. This occurred a time when government spending increased from 36.2% of the GDP to 42.4% of the GDP, while income rose from 33.18% of the GDP to 33.1% of the GDP.

Furthermore, in 2020, when compared with 2019, there was a significant increase of government debt, from 77.5% of the GDP to 90.7% of the GDP in the case of the European Union and for the Euro Zone, from 83.9% of the GDP to 98% of the GDP. Half of the EU countries (14 out of 27 member states) had a government debt higher than 60% of the GDP, last year.

Regarding Romania, government debt went up from 373.497 billion RON, or 35.3% of the GDP, in 2019, to up to 499.153 billion RON, or 47.3% of the GDP, in 2020.

In the press release Eurostat highlights that it did not make any changes to the data sent by the member countries.