

Finance Ministry: 1.68pct of GDP deficit in Q2 2021

The general consolidated budget recorded a deficit of 19.17 billion lei (1.68pct of GDP) in the second quarter of this year, by 10.74 billion lei below the level forecast for the reference period of 29.91 billion lei (2.08pct of GDP), according to a report published on Friday by the Ministry of Finance.

During this period, exceptional expenditures were made to combat the effects of the COVID-19 epidemic in the amount of 4.26 billion lei (0.37pct of GDP), according to the same document.

In Q2 2021, budget collection was higher than the scheduled level as a result of the evolution of revenues received from the domestic economy that exceeded the scheduled level for the reference period.

Revenues expected to be collected from non-reimbursable external funds saw a lower degree of achievement than the level scheduled for the second quarter of 2021, a level that is correlated with the proposals of the main authorizing officers regarding budget provisions for projects financed from non-reimbursable external funds for the second quarter of 2021. Thus, the amounts received from the European Union related to projects financed both under the financial framework 2007-2013 and under the new financial framework 2014-2020, collected in the second quarter of 2021, represented 0.65pct of GDP, corresponding to a degree of achievement of 62.2pct of the quarterly programme.

Budget expenditures recorded in the second quarter of 2021 were below the level scheduled for most of the expenditure titles and especially for capital expenditures and those with projects financed from non-reimbursable external funds.

Payments for projects financed from EU funds represented 0.7pct of GDP and they were carried out 68.8pct, with most of the payments carried out being for projects financed from the 2014-2020 budget, the same source states. Compared to the second quarter of 2020, payments for projects financed from non-reimbursable external funds increased by 42.2pct, and they increased by 0.1 percentage points from 0.6pct in the second quarter of 2020 to 0.7pct in the second quarter of 2021, as GDP percentage.

Capital expenditures accounted for 0.6pct of GDP and they were carried out 77pct compared to the quarterly schedule. Compared to the same period of 2020, capital expenditures increased by 5.9pct in nominal terms, while they remained at the same level while considered as a share in GDP.

The revenues of the general consolidated budget amounted to 90.59 billion lei (7.9pct of GDP) in the second quarter of 2021, by 1.84 billion lei more than the forecast level, reflecting a degree of achievement of the revenue programme of 102.1pct.

Compared to the revenues of the second quarter of 2020, the revenues of the general consolidated budget increased in nominal terms by 22.4pct, and by 0.9 percentage points from 7pct of GDP as in the second quarter 2020 to 7.9pct of GDP in the second quarter of 2021, as a percentage in GDP.

The revenues collected from the domestic economy (without funds from the European Union) amounted to 83.13 billion lei, representing 7.3pct as a share in GDP and a degree of achievement of the quarterly schedule of 108.3pct.

Fiscal revenues amounted to 44.26 billion lei and amounted to 116.7pct. These represented 3.9pct of GDP, being 26.5pct higher compared to the revenues of the second quarter of 2020.

Expenditures of the general consolidated budget amounted to 109.76 billion lei, represented 9.6pct as a share of GDP and they were carried out 92.5pct compared to the programme for the second quarter of 2021. Compared to the level recorded in the second quarter of 2020, budget expenditures were higher by 8.5pct.

The highest expenditures were those on personnel, worth 27.98 billion lei and they were carried out 100.1pct compared to the level estimated for the second quarter of 2021, and those with social assistance, in the amount of 37.08 billion lei, were carried out 96.7pct compared to the quarterly schedule.