

Gov't deficit at 2.89% of GDP seven months into national budget implementation

The implementation of Romania's aggregate national budget in the first seven months of 2021 ended with a government deficit of 33.97 billion lei (2.89% of GDP), down from 49.68 billion lei (4.71% of GDP) seven months into 2020, the Finance Ministry announced on Thursday.

"This positive trend was determined by an increase in government revenues by 1.38 percentage points of GDP y-o-y, mainly influenced by an advance in Value-Added-tax (VAT) revenues and European funds, as well as by a cut in government outlays by 0.44 percentage points from GDP, as staff expenditure decreased. Also, in July, there is a budget balance close to zero (-0.16 billion lei), compared to -4.5 billion lei in July 2020," the Finance Ministry points out.

At the same time, in January-July 2021, investment expenditures were by 4.87 billion lei higher than in the same period of the previous year, and the extra payments generated by the COVID-19 epidemic were 9.18 billion lei, 14.05 billion lei in all or 1.2% of GDP.