

Budget deficit up to 1.19 pct of GDP after Q1 2022

The budget deficit climbed to 1.19 pct of gross domestic product after the first quarter of this year, from 0.72 pct of GDP in the first two months, according to data released by the Ministry of Public Finance on Wednesday.

The negative balance of the consolidated budget amounted to 15.7 billion RON in the first three months of 2022, compared to 9.51 billion RON in January and February.

Compared to the first quarter of last year, the budget deficit decreased by 0.05 percentage points, from 1.24 pct of GDP to 1.19 pct of GDP.

"The execution of the general consolidated budget in the first three months of 2022 ended with a deficit of 15.7 billion RON. Expressed as a percentage of gross domestic product, the budget deficit decreased by 0.05 percentage points for the first three months of 2022 compared to the same period of 2021, from 1.24 pct of GDP to 1.19 pct of GDP. The evolution is explained by the increase in total revenues by 0.66 percentage points of GDP (mainly VAT receipts and other taxes on goods and services), while budgetary expenditures recorded an advance of 0.61 percentage points of GDP (mainly expenditures on social assistance and European funds)," states the Ministry of Finance.

The 2022 budget was built on a cash budget deficit estimated at 5.8 pct of GDP and ESA (European System of Accounts) deficit estimated at 6.2 pct of GDP.

On the other hand, the Romanian authorities maintain their GDP growth estimate at about 4 pct for this year, and the international financial institutions have significantly revised down their GDP growth forecast, up to about 2 pct.