

Gov't expected to approve draft national budget for 2021

The government meets today, Friday, to approve the bills related to the national budget and the state social insurance budget for 2021.

Prime Minister Florin Citu said on Thursday that the government deficit target remains set at 7.16%, specifying that, compared to the published version of the draft, there could be some changes in terms of allocations, with more commitment appropriations.

According to the prime minister, resources outlaid for investment are "at a historical level". "It is a budget that focuses on investment and, you will see, this year the implementation will be very good," said Citu.

The 2021 national budget bill, released on February 11 for public debate, is built on an economic growth of 4.3%.

According to the bill, which has been posted on the website of the Ministry of Finance, projected revenues amount to 174.102 billion lei, outlays to 318.456 billion lei worth of commitment appropriations and 261.451 billion lei budgetary provisions, along with a deficit of 87,349.7 million lei.

The aggregate deficit is estimated at 7.16% of the Gross Domestic Product this year, for revenues of 32.67% of the GDP and expenditures of 39.84% of GDP, according to the draft.

The budgetary planning for 2021 and the estimates for 2022 - 2024 set a negative balance of 8.23% of the GDP, expected to reach 2.90% of the GDP in 2024.

In 2021, the investment spending is estimated at 5.5% of the GDP, up 8.3 billion lei from 2020, and in 2024 it will make up 4.81% of the GDP, an increase of 6.1 billion lei from 2021, peaking up in 2020 - 2022.

The average annual inflation taken into account when building this year's budget is 2.4%.

The number of unemployed is estimated at 310,000 people, and the average net monthly earnings at 3,323 lei.

According to the explanatory memorandum in the bill on the state social insurance budget for 2021, the budget for the state pension system would have should get revenues to the tune of 90 billion lei, with 81.3% to be collected from insurance contributions.

Total expenditures in the state social insurance budget are estimated in 2021 at 90.220 billion lei, of which 90.079 billion lei for the state pension system (99.8%) and 140.395 million lei for the insurance system for work accidents and occupational diseases (0.2%).

At today's meeting, a bill approving caps on some indicators specified in the budget and tax framework for the year 2021 will also be approved.