



## Review of Public Finance Forecasts for 2023 and 2024

### Update

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- Following the publication by Insee, the National Institute of Statistics and Economic Studies, of the general government accounts, the 2024 general government deficit was ultimately  $-5.8\%$ , that is to say 0.3 points of GDP more than the projection used in the 2025 Budget Bill and on the basis of which this edition of Trésor-Economics was produced in January 2025.
- Revisions constitute an overall improvement of roughly €9.5bn and essentially concern:
  - local authority expenditure (+€6.5bn), which turned out to be lower than expected when the 2025 Budget Bill was being prepared, due to a slowdown in this local expenditure starting in autumn 2024. For instance, local authorities' investment expenditure rose 7.6% in 2024 compared to the 13.2% increase forecast in the 2025 Budget Bill, which was based on the latest accounting data from summer 2024. Operating expenses rose by 3.5% but this was still significantly less than the 4.6% projected in October 2024.
  - central government expenditure (up €3.4bn), was less than forecast in autumn 2024 owing to a budget outturn that was even lower than estimated in the Initial Budget Act.
  - the 2023 deficit was also revised to  $-5.4\%$  of GDP, i.e. up 0.1 points compared to the provisional account published by Insee in May 2024.
- Table 1 relating to the revision of the general government balance in 2023 and 2024 between the budget bills for 2024 and 2025 has been updated as follows:

**Table 1: Revision of the general government balance in 2023 and 2024 between the 2024 Budget Bill and the figures published by Insee in 2025**

	2023	2024
2024 Budget Bill balance (September 2023 forecast)	–4.9	–4.4
(% of GDP)		
(€bn)	–138.8	–128.3
<b>Total revision 2024 Budget Bill =&gt; 2024 provisional account (€bn)</b>	<b>–12.9</b>	<b>–41.3</b>
<b>Aggregate taxes and social security contributions – spontaneous growth (without change of base year)</b>	<b>–17.8</b>	<b>–44.5</b>
of which 2023 outturn and integration into the base	–17.8	–17.8
of which additional impact of past data on 2024		–10.9
<i>Income tax outturn and impact of data for 2023 and prior years</i>	–2.1	–5.7
<i>Corporation tax outturn and impact of data for 2023 and prior years</i>	–4.4	–11.7
<i>Other 2023 outturn and integration into the base</i>	–11.3	–11.3
of which impact of the revision of nominal GDP		–6.8
of which other revisions of elasticity of 2024 revenue		–9.0
<i>of which corporation tax</i>		–2.4
<i>of which VAT</i>		–9.3
<i>of which taxes on transfers for valuable consideration</i>		–2.1
<i>of which contributions</i>		3.7
<b>Aggregate taxes and social security contributions – discretionary measures</b>		<b>5.1</b>
Phasing out of the domestic consumption tax on electricity for end-users price cap		4.9
Freeze on relief on contributions – including impact on corporation tax (2024 Social Security Budget Bill)		0.4
Other		–0.2
<b>Scope of central government expenditure</b>	<b>7.0</b>	<b>7.2</b>
Central government sphere expenditure (without recission decree, budgetary total)	7.0	–1.7
Recission decree in February 2024	0.0	8.8
<b>Local authorities</b>	<b>–4.4</b>	<b>–6.9</b>
Operating	–3.3	–6.3
Investment	–1.2	–0.5
<b>Labour sphere</b>	<b>–1.2</b>	<b>–4.8</b>
Unédic – unemployment insurance scheme	–0.9	–3.3
National healthcare expenditure growth target (Ondam)	–0.3	–1.5
<b>Other revisions</b>	<b>3.6</b>	<b>2.6</b>
<b>Balance – Provisional 24 / Part-finalised 23 (March 2025)</b>	<b>–5.4</b>	<b>–5.8</b>
(% of GDP)		
(€bn)	–151.7	–169.6

Source: DG Trésor.