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## Budget redux



At this time last year, then-Finance Minister Miroslav Kalousek was predicting a 2% growth rate for the coming year and declaring that as long as he's alive, a triple-digit budget deficit (in billions of crowns) is out of the question. His +2% GDP daydream has of course faded into a -4% economic slump, and the 2009 deficit has ballooned to a deathly Kč 200bn. Our primary purpose, though, isn't to criticize Kalousek. Instead, it's to point out that many of the same people who condemn him now for his excessive optimism last year are potentially repeating his same mistake. Yes, the 2010 budget already has a triple-digit deficit built into it, but it is still based on a near-zero GDP growth rate that might not materialize. Blips of an economic upturn are of course possible in 2010, but a proper forecast should stress that almost nothing has been done to correct the underlying causes of the global crisis.



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