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## Budget reality check

With Greece teetering on the verge of collapse, a prudent European finance minister might temper his optimistic outlook for his own economy, and Miroslav Kalousek has indeed scaled back the [GDP growth projection](#) for this year from 2.0% to 1.9%. Yet next year his ministry still expects the Czech economy to grow in constant prices by 2.3%. In current prices, the expected GDP increase for next year is an incredible 5.0%. Total revenue should rise in line with this by 5.6%, to Kč 1.65 trillion, while total spending should lag only slightly and climb by 4.0%, to Kč 1.78 trillion. The problem is that a misstep on the revenue side could lead to an explosion in the deficit and require the government to take extraordinary measures. Given the current state of the world, wouldn't it be more reasonable to plan for this likelihood now? A cynical person might suspect Kalousek of setting the 2012 state budget up to fail.

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