

Implementation of the Stability and Growth Pact - February 2018

This document gives an overview of key developments under the [preventive](#) and [corrective](#) arms of the Stability and Growth Pact (SGP) on the basis of (1) the latest Council decisions and recommendations in the framework of the SGP; (2) the latest European Commission (COM) economic forecasts; and (3) the latest COM Opinions on the Draft Budgetary Plans (DBPs) of euro area Member States. The document is regularly updated.

Latest developments

- According to the [COM winter forecast](#) of 7 February 2018, the (expected) economic growth rates of the EU Member States have overall been revised upwards for 2017, 2018 and 2019 compared to the [autumn 2017 COM forecast](#) (see annex 1 of the present briefing). While improved growth figures indicate that public finances should have improved compared to autumn 2017, the winter forecast does not cover public finance indicators. The autumn 2017 forecast still provides the latest available COM data basis for public finance assessments in the EU (and are used in this document to show the state-of-play as regards progress on the Member States' commitments under the SGP).
- On 6 December 2017, the COM published a Communication on "[Further steps towards completing Europe's Economic and Monetary Union: a roadmap](#)", which includes in the area of fiscal surveillance the following policy objective: "*Stronger economic, fiscal and financial integration, together with market discipline, should pave the way for a review of the EU fiscal rules in the longer term, with the aim of a substantial simplification by 2025.*"
- On [5 December 2017](#), the Council closed (on the basis of a COM recommendation of [22 November 2017](#)) the excessive deficit procedure (EDP) for the United Kingdom, confirming that its government deficit has dropped below 3% of GDP. Now, only two Member States are subject to an EDP, compared to 24 Member States in 2011.
- On 4 December 2017, the **Eurogroup** discussed the COM opinions (of 22 November 2017) on the 2018 DBPs. The [Eurogroup statement](#) on these discussions indicates **agreement with the COM opinions**. Furthermore, the Eurogroup noted that Germany, Austria and Spain have submitted DBPs on a no-policy-change basis. Against that background, the Eurogroup invited those countries to submit the updates of their DBPs as soon as possible and asked the COM to assess those updates. In addition, the Eurogroup is concerned about a slow pace of debt reduction from high levels in a number of Member States and urges that they are decisively addressed in the current favourable economic situation. The Eurogroup noted that "*the limited structural fiscal adjustment expected in 2018 in some Member States is worrying, in*



particular when coupled with high sustainability risks. The Eurogroup recalls in this context that the focus on debt reduction is an integral part of the SGP and calls upon the COM and the Council to apply the SGP in full."

- In accordance with [EU Regulation No 473/2013](#), the COM issued on 22 November 2017, on the basis of its [autumn 2017 forecast](#) of 9 November 2017 its [opinions on the 2018 DBPs](#) of euro area Member States: six countries (**Germany, Lithuania, Latvia, Luxembourg, Finland and the Netherlands**) are assessed to be compliant with the SGP, six (**Estonia, Spain, Ireland, Cyprus, Malta and Slovakia**) are assessed to be broadly compliant with it and six (**Belgium, France, Italy, Austria, Portugal and Slovenia**) are judged to be at risk of non-compliance. The overleaf tables show that overall the assessment is altogether slightly better than the assessment of the 2017 DBPs, since the most critical category "risk of compliance" contains now six countries, compared to seven last time, and the best category ("compliance") has increased by one Member State. The positive and negative developments at Member States' level are:
 - Better assessments than in the last exercise: (a) three Member States have left the category "risk of non-compliance", either towards the category "broad compliance" (**Cyprus**) or even towards "compliance" (**Lithuania and Finland**) and (b) one country (**Latvia**) moved from "broad compliance" towards "compliance".
 - Worse assessments than in the last exercise: **Estonia** and **Slovakia** moved from "compliance" towards "broad compliance" and **France** and **Austria** from "broad compliance" towards "risk of non-compliance".
- For **Belgium and Italy**, the COM opinions judge that the **debt reduction benchmark** will be breached based on current projections. In a [letter](#) of 22 November 2017 to the Italian authorities, the COM informed about its intention to reassess Italy's compliance with the debt reduction benchmark in spring 2018. The letter states *inter alia* that *"The adoption of the 2018 budget with no watering down on the key provisions will be crucial, as will its subsequent strict implementation to deliver a structural effort of at least 0,3 % of GDP. We would also like to underline the importance of avoiding backtracking on the important fiscal structural reforms, notably as regards pensions, which underpin the long-term sustainability of Italy's debt."*
- When finalising the opinions, the COM highlighted in [letters](#) (of 27 October 2017) to **Belgium, France, Italy and Portugal potential non-compliances ("significant deviations") of the DBPs** of these countries from the requirements under the SGP and asked the respective governments to submit further information so that the COM can use in the final COM opinions on the DBP. The replies of 30/31 October ([Belgium](#), [France](#), [Italy](#) and [Portugal](#)) focused on fiscal measures and structural reforms which were not included in the calculations of the structural balance by the Commission ("no policy change scenario") or on methodological issues (notably Italy). However, as seen above, they did not change the overall COM compliance assessments on these countries. For an overview of the structural balance positions (in relation to the current Council recommendations) of all Member States see tables overleaf and a separate [EGOV note](#).
- A [separate EGOV note](#) compares key figures included in the DBPs with the autumn 2017 COM forecasts. Six euro area Member States (Spain, France, Italy, Austria, Portugal, Slovenia) are overall clearly more optimistic than the COM in their growth, debt, deficit and/or structural deficit projections, while only Germany and Cyprus have overall clearly more pessimistic forecasts than the COM on these indicators. Compared to spring 2017, the differences between forecasts by Member States and Commission for 2017 and 2018 have clearly decreased. On the other hand, significant differences between Member States and Commission remain also in autumn 2017 for the forecasts on structural balance and/or debt levels (including for Spain, France, Belgium, Germany, Italy, Cyprus, Latvia and Slovenia).

- Another [EGOV note](#) provides an **overview of the role played by independent national fiscal bodies in the preparations of budgets** in Member States. A key finding is that : a clear majority of euro area Member States (15 out of 18) have used in their 2018 and 2017 DBP macro-economic forecasts prepared or endorsed by independent fiscal bodies; exceptions being for the 2018 DBP Germany and Finland and for the 2017 DBP Germany, Finland and Lithuania.
- On [22 November 2017](#), the COM established **for Romania that no effective action was taken in response to the Council recommendation of June 2017**. Based on a Commission proposal the Council adopted a [revised recommendation](#) to Romania on 5 December 2017 according to which Romania should take measures ensuring a nominal growth of net primary government expenditure of no more than 3.3% in 2018, representing an annual structural adjustment of at least 0.8% of GDP. It recommends that any windfall gains be used for deficit reduction, and that budgetary consolidation measures secure a lasting improvement in the general government structural balance. The Council set a 15 April 2018 deadline for Romania to report on action taken in response to its revised recommendation. The recommendation of June 2017 requested an annual structural adjustment of 0.5% of GDP. On the back of developments since and following the lack of effective action by Romania, the Council recommends an annual structural adjustment of at least 0.8% of GDP in 2018.
- In [September 2017](#), the Council **closed the EDP for Greece**, on the basis of a [COM recommendation](#).
- In [July 2017](#), the Council formally adopted the [2017 country-specific recommendations \(CSRs\)](#), which include the Council opinions on the [2017 stability and convergence programmes \(SCPs\)](#). Compared to the recommendations proposed by the COM in [May 2017](#), the final CSRs adopted by the Council in July 2017 contain some modifications (see [comparison conducted by EGOV](#)).
- According to the [May 2017 COM assessments of the 2017 SCPs](#), which are an analytical basis for the 2017 CSRs, many [Member States](#) (Belgium, i.e. Spain, France, Ireland, Italy, Hungary, Latvia, Poland, Portugal, Slovakia, Slovenia, the UK and Romania) were at risk of some or significant deviation with their obligations under the SGP. For seven euro area Member States (Portugal, Belgium, Italy, Cyprus, Lithuania, Slovenia, Finland), the COM had already highlighted in its [opinions on the 2017 DBPs](#) that these Member States were at “*risks of non-compliance*” with the current obligations under the SGP (see tables overleaf).
- A new feature of the 2017 fiscal CSRs as adopted by the Council is that **the fiscal efforts as included in the recommendations themselves became generic** (e.g. “*Pursue its fiscal policy in line with the requirements of the preventive arm of the SGP*”), while the quantified requests on fiscal efforts/targets have moved to the recitals of the respective recommendation (CSR1).
- On [16 June 2017](#), the Council closed, on the basis of COM proposals of 22 May 2017, the EDPs for [Croatia](#) and [Portugal](#), confirming the deficits have dropped below 3%.
- On [22 May 2017](#), the COM presented reports under Art. 126 (3) for [Belgium](#) and [Finland](#), in which the **compliance with the debt criterion of the Treaty** is assessed. For both countries, the COM concludes that the debt criterion should be considered as currently complied with.

Box: Entry into force of the debt reduction benchmark

[EU Regulation 1467/97](#) stipulates that the debt reduction benchmark (which is relevant for countries with public debt above 60% of GDP) is applicable after a transition period of three years from the correction of the excessive deficit, if the country was in an EDP at the entry in force of the regulation (i.e. on 8 November 2011). Member States within the transition period have to comply with a so-called Minimum Linear Structural Adjustment (defined on p. 12 of [Code of Conduct on the SGP implementation](#) and in [Annex 6 of the Vade Mecum on the SGP](#)). The [COM staff working documents](#) of May 2016 stated that the transition periods for Italy and Hungary expired in the end of 2015 and in the end of 2016 for Belgium, Austria and the Netherlands. For Germany, Finland and Malta, the transition period already expired before. Since Ireland, Cyprus and Slovenia (EDPs were opened before 8 November 2011) corrected the excessive deficit as from 2015, their transition periods will expire in the end of 2018. Regarding Portugal and Greece, whose deficit is not any more excessive since 2016, the transition period will expire end of 2019. For Croatia, which entered the EU after the entry in to force of the regulation and whose deficit is not any more excessive since 2016, the debt rule is applicable without a transition period, i.e. as from 2017. As regards Spain and France, which are still in EDP (opened before 8/11/2011), the debt rule will become applicable after the transition period of three years from the correction of the excessive deficit.

Excessive Deficit Procedure - Corrective Arm of SGP

	Reference year which triggered the EDP ¹	Current deadline for correction of nominal deficit (latest EDP-recommendations)	Fiscal effort in structural terms (% of GDP) as requested by the Council ²	Compliance of 2018 DBP with the SGP (COM Opinions of November 2017, based on COM autumn 2017 forecast)	Compliance of 2017 DBP with the SGP (COM Opinions of November 2017 and January 2018, based on COM autumn 2016 forecast)	COM forecast - autumn 2017 ³ (under no policy change scenario) ⁴				
						Year	Nominal budget balance as % of GDP	Structural budget balance ⁵ as % of GDP <i>(in italics: y-o-y change as % of GDP)</i>	Debt % of GDP	GDP growth as % change
EURO AREA COUNTRIES										
ES	2008	2018 (Aug. 2016) Under Art. 126(9)	-0.4 in 2016 0.5 in 2017 0.5 in 2018	Broadly compliant	Broadly compliant	2008	-4.4	- (-)	39.5	1.1
						2009	-11.0	- (-)	52.8	-3.6
						2010	-9.4	-7.1 (-)	60.1	0.0
						2011	-9.6	-6.3 (0.8)	69.5	-1.0
						2012	-10.5	-3.2 (3.1)	85.7	-2.9
						2013	-7.0	-1.8 (1.4)	95.5	-1.7
						2014	-6.0	-1.6 (0.2)	100.4	1.4
						2015	-5.3	-2.5 (-0.9)	99.4	3.4
						2016	-4.5	-3.3 (-0.8)	99.0	3.3
						2017	-3.1	-3.1 (0.2)	98.4	3.1
						2018	-2.4	-3.1 (0.0)	96.9	2.5
FR	2008	2017 (Mar 2015) Under Art. 126(7)	0.5 in 2015 0.8 in 2016 0.9 in 2017	Risk of non-compliance	Broadly compliant regarding headline deficit	2008	-3.2	- (-)	68.0	0.2
						2009	-7.2	- (-)	78.9	-2.9
						2010	-6.8	-5.8 (-)	81.6	2.0
						2011	-5.1	-5.0 (0.8)	85.2	2.1
						2012	-4.8	-4.1 (0.9)	89.6	0.2
						2013	-4.1	-3.4 (0.7)	92.4	0.6
						2014	-3.9	-3.0 (0.4)	95.0	0.9
						2015	-3.6	-2.7 (0.3)	95.8	1.1
						2016	-3.4	-2.6 (0.1)	96.5	1.2
						2017	-2.9	-2.4 (0.2)	96.9	1.6
						2018	-2.9	-2.7 (-0.3)	96.9	1.7

Progress towards the Medium-Term Objectives (MTOs) - Preventive arm of SGP

	Fiscal adjustment (as % of GDP) as stipulated in the Country Specific Recommendations (CSRs), if available (either in the enacting part or in their recitals adopted by the Council in July 2016 and 2017 (preventive arm of the SGP)	Level of MTO (structural budget balance) and Target year for MTO (as indicated in Council CSRs 2012; 2013, 2014, 2015, 2016, 2017 and SCPs 2012-2017) ⁷	Compliance of 2018 DBP with the SGP (COM Opinions of November 2017 based on COM autumn 2017 forecast)	Compliance of 2017 DBP with the SGP (COM Opinions of November 2016 and January 2017, based on COM autumn 2016 forecast)	COM forecast - autumn 2017 ³ (under no policy change scenario) ⁴					
					Year	Structural budget balance ⁵ as % of GDP (in italics: y-o-y change as % of GDP)	Debt % of GDP	GDP % change		
EURO AREA COUNTRIES										
BE	"Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Belgium's public finances..." (CSR 2017).	0.0 2019 (Recital 6 of CSR 2017 and p. 18 of SP 2017)	Risk of non-compliance	Risk of non-compliance	2014	-2.9 (0.1)	106.8	1.4		
					2015	-2.2 (0.7)	106.0	1.4		
					2016 [CSR 2016]	0.6	2016	-2.1 (0.1)	105.7	1.5
					2017 [CSR 2016]	0.6	2017	-1.5 (0.6)	103.8	1.7
					2018 [recital 10 of CSR 2017]	0.6	2018	-1.5 (-0.4)	102.5	1.8
DE	"While respecting the MTO, use fiscal and structural policies to support potential growth and domestic demand as well as to achieve a sustained upward trend in investment..." (CSR 2017)	-0.5 2012 onwards (CSR 2012 pp. 5/8 of SP 2012)	Compliant	Compliant	2012	-0.1 (1.0)	79.8	0.7		
					2013	0.3 (0.4)	77.4	0.5		
					2014	0.8 (0.5)	74.6	1.9		
					2015	0.8 (0.0)	70.9	1.7		
					2016 [CSR 2016, recital 5]	No fiscal target [MTO achieved]	2016	0.9 (0.1)	68.1	1.9
2017 [CSR 2017, incl. recitals 6/7]	No fiscal target [MTO achieved]	2017	0.9 (0.0)	64.8	2.2					
2018 [CSR 2017, incl. recitals 6/7]	No fiscal target [MTO achieved]	2018	0.9 (0.0)	61.2	2.1					
EE	"Pursue its fiscal policy in line with the requirements of the preventive arm of the SGP, which entails remaining at its MTO in 2018..." (CSR 2017)	-0.5 2017 (Recital 7 of CSR 2017)	Broadly compliant	Compliant	2014	0.0 (0.6)	10.7	2.9		
					2015	-0.1 (-0.1)	10.0	1.7		
					2016 [CSR 2016, including recital 5]	No fiscal target [MTO achieved]	2016	-0.4 (-0.3)	9.4	2.1
					2017 [CSR 2017, including recital 7]	"Remain at MTO"	2017	-1.1 (-0.7)	9.2	4.4
					2018 [CSR 2017, including recital 7]	"Remain at MTO" [risk of some deviation]	2018	-1.4 (-0.3)	9.1	3.2

IE	"Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the SGP..." [CSR 2017,]		-0.5 2018 (Recital 5 of CSR 2016)	Broadly compliant	Broadly compliant	2014	-4.0	(0.6)	104.5	8.3
						2015	-2.1	(1.9)	76.9	25.6
	2016 [CSR 2016]	0.6				2016	-1.9	(0.2)	72.8	5.1
	2017 [CSR 2016]	0.6				2017	-1.3	(0.6)	69.9	4.8
	2018 [CSR 2017, incl. recital 9]	0.6				2018	-0.5	(0.8)	69.1	3.9
EL	Greece (out of EDP since 25/9/2017) is under a macro-economic adjustment programme and therefore exempted from CSRs, SCPs and MTOs. It has a primary surplus target of 1.75% of GDP in 2017 and of 3.5% in the years 2018-2022.				2014	2.5	(-0.1)	179.0	0.7	
					2015	2.1	(-0.4)	176.8	-0.3	
					2016	5.3	(3.2)	180.8	-0.2	
					2017	2.5	(-2.8)	179.6	1.6	
					2018	3.3	(0.8)	177.8	2.5	
IT	"Pursue a substantial fiscal effort in 2018, in line with the requirements of the preventive arm of the SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Italy's public finances..." [CSR 2017]		0.0 2019 (earliest) (Recital 6 of CSR 2017)	Risk of non-compliance	Risk of non-compliance	2014	-1.0	(-0.2)	131.8	0.1
	2016 [CSR 2016]	-0.25				2015	-0.8	(0.2)	131.5	1.0
	2017 [CSR 2016]	0.6				2016	-1.7	(-0.9)	132.0	0.9
	2018 [CSR 2017, incl. recital 10]	0.6				2017	-2.1	(-0.4)	132.1	1.5
						2018	-2.0	(0.1)	130.8	1.3
CY	"Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails remaining at its MTO in 2018..."[CSR 2017]		0.0 2017 (Recital 6 of CSR 2017)	Broadly compliant	Risk of non-compliance	2014	3.3	(4.1)	107.5	-1.4
	2016 [CSR2016]	Respect MTO				2015	1.6	(-1.7)	107.5	2.0
	2017 [CSR2016]	Respect MTO				2016	1.1	(-0.5)	107.1	3.0
	2018 [recital 7 of CSR 2017]	0.2				2017	0.4	(-0.7)	103.0	3.5
						2018	0.0	(-0.4)	98.3	2.9
LV	"Pursue its fiscal policy in line with the (...) preventive arm of the SGP, which entails achieving its MTO in 2018, taking into account the allowances linked to the implementation of the systemic pension reform and of the structural reforms for which a temporary deviation is granted..."[CSR 2017]		-1.0 2018 (Recital 6 of CSR 2017)	Compliant	Broadly compliant	2014	-1.0	(-0.1)	40.9	1.9
	2016 [CSR 2016, incl. recital 5]	"Limit the deviation from the MTO"				2015	-1.6	(-0.6)	36.9	2.8
	2017 [CSR 2017, incl. recital 7]	No fiscal target [MTO achieved]				2016	-0.6	(1.0)	40.6	2.1
	2018 [CSR 2017, incl. recital 7]	-0.3				2017	-1.8	(-1.2)	39.1	4.2
						2018	-1.8	(0.0)	35.6	3.5

LT	"Pursue its fiscal policy in line with the (...) preventive arm of the SGP, which entails remaining at its MTO in 2018, taking into account the allowances linked to the implementation of the systemic pension reform and of the structural reforms for which a temporary deviation is granted..." [CSR2017]		-1.0 2015 (onwards) (Recital 8 of CSR 2014 and p.3 of CP 2014)	Compliant	Risk of non-compliance	2014	-1.3	(0.6)	40.5	3.5
	2016 [CSR 2016]	No fiscal target [MTO achieved]				2015	-0.6	(0.7)	42.6	2.0
	2017 [CSR 2017, incl. recital 8]	No fiscal target [MTO achieved]				2016	-0.2	(0.4)	40.1	2.3
	2018 [CSR 2017, incl. recital 8]	No fiscal target [MTO achieved]				2017	-0.9	(-0.7)	41.5	3.8
						2018	-0.9	(0.0)	37.9	2.9
LU	No fiscal recommendation [CSR 2017]		-0.5 2017 (Recital 5 of CSR 2016 and pp. 4/6/10 of SP 2016)	Compliant	Compliant	2014	2.0	(-0.8)	22.7	5.8
	2016 [CSR 2016, incl. recital 5]	No fiscal target [MTO achieved]				2015	1.7	(-0.3)	22.0	2.9
	2017 [CSR 2017, incl. recital 6]	No fiscal target [MTO achieved]				2016	2.0	(0.3)	20.8	3.1
	2018 [CSR 2017, incl. recital 6]	No fiscal target [MTO achieved]				2017	0.6	(-1.4)	23.7	3.4
						2018	0.3	(-0.3)	23.0	3.5
MT	No SGP related CSR 2017		0.0 2019 (Recital 5 of CSR 2016 and p. 34 of SP 2016)	Broadly compliant	Broadly compliant	2014	-3.0	(-1.2)	63.8	8.2
	2016 [CSR 2016]	0.6				2015	-2.1	(0.9)	60.3	7.1
	2017 [CSR 2016]	0.6				2016	0.8	(2.9)	57.6	5.5
	2018 [Recital 7 of CSR 2017]	No fiscal target [MTO achieved]				2017	0.6	(-0.2)	54.9	5.6
						2018	0.1	(-0.5)	51.6	4.9
NL	"While respecting the MTO, use fiscal and structural policies to support potential growth and domestic demand, including investment in research and development..." [CSR 2017]		-0.5 2018 (Recital 5 of CSR 2016) and SP 2015 pp. 3/15)	Compliant	Compliant	2014	-0.4	(-0.4)	68.0	1.4
	2016 [CSR 2016]	"Limit the deviation from the MTO"				2015	-0.9	(-0.5)	64.6	2.3
	2017 [CSR 2016]	0.6				2016	0.9	(1.8)	61.8	2.2
	2018 [CSR 2017, incl. recital 6]	No fiscal target [MTO achieved]				2017	0.3	(-0.6)	57.7	3.2
						2018	-0.2	(-0.5)	54.9	2.7
AT	"Pursue its fiscal policy in line with (...) the preventive arm of the SGP, which entails achieving its MTO in 2018, taking into account the allowance linked to unusual events..." [CSR 2017]		-0.5 2019 (Recital 6 of CSR 2017)	Risk of non-compliance	Broadly compliant	2014	-0.8	(0.9)	83.8	0.8
	2016 [CSR 2016, incl. recital 6]	No fiscal target [but "further measures will be needed"]				2015	-0.3	(0.5)	84.3	1.1
	2017 [CSR 2016]	0.3				2016	-1.0	(-0.7)	83.6	1.5
						2017	-0.9	(0.1)	78.6	2.6

	2018 [CSR 2017, incl. recital 8]	0.3				2018	-1.0	(-0.1)	76.2	2.4
PT	"Ensure the durability of the correction of the excessive deficit. Pursue a substantial fiscal effort in 2018 in line with the (...) preventive arm of the SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Portugal's public finances..." [CSR 2017]		0.25 2021 (Recital 6 of CSR 2017)	Risk of non-compliance	Risk of non-compliance	2014	-1.7	(1.3)	130.6	0.9
						2015	-2.3	(-0.6)	128.8	1.8
	2016 [CSR 2016, incl. recital 6]	0.6				2016	-2.0	(0.3)	130.1	1.5
	2017 [CSR 2016]	0.6				2017	-1.8	(0.2)	126.4	2.6
	2018 [CSR 2017, incl. recital 8]	0.6				2018	-1.8	(0.0)	124.1	2.1
SI	"Pursue a substantial fiscal effort in 2018 in line with the (...) SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Slovenia's public finances..." [CSR 2017]		0.0 2020 (not in line with SGP, see recital 6 of CSR 2017) Minimum MTO by COM: 0.25 ⁸)	Risk of non-compliance	Risk of non-compliance	2014	-2.2	(-0.8)	80.3	3.0
						2015	-1.6	(0.6)	82.6	2.3
	2016 [CSR 2016]	0.6				2016	-1.5	(0.1)	78.5	3.1
	2017 [CSR 2016]	0.6				2017	-1.6	(-0.1)	76.4	4.7
	2018 [CSR 2017, incl. recital 9]	1.0			2018	-1.6	(0.0)	74.1	4.0	
SK	"Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Slovakia's public finances..." [CSR 2017]		-0.5 2018 (Recital 6 of CSR 2017)	Broadly compliant	Compliant	2014	-2.2	(-0.5)	53.5	2.8
						2015	-2.3	(-0.1)	52.3	3.9
	2016 [CSR 2016]	0.25				2016	-2.0	(0.3)	51.8	3.3
	2017 [CSR 2016]	0.5				2017	-1.6	(0.4)	50.6	3.3
	2018 [CSR 2017, incl. recital 8]	0.5				2018	-1.2	(0.4)	49.9	3.8
FI	"Pursue its fiscal policy in line with the (...) preventive arm of the SGP, which entails achieving its MTO in 2018, taking into account the allowances linked to unusual events, the implementation of the structural reforms and investments for which a temporary deviation is granted" [CSR 2017]		-0.5 2019/2020 (Recital 6 of CSR 2017 and p.59 of SP 2017)	Compliant	Risk of non-compliance	2014	-1.5	(-0.3)	60.2	-0.6
						2015	-0.7	(0.8)	63.6	0.0
	2016 [CSR 2016]	0.5				2016	-0.4	(0.3)	63.1	1.9
	2017 [CSR 2016]	0.6				2017	-1.0	(-0.6)	62.7	3.3
	2018 [CSR 2017, incl. recital 6]	0.1				2018	-1.4	(-0.4)	62.1	2.7

NON-EURO AREA COUNTRIES										
BG	No SGP related CSR 2017		-1.0 2017 (Recital 5 of CSR 2016 and CP 2016 pp. 5/33)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-1.6	(-1.6)	27.0	1.3
						2015	-1.1	(0.5)	26.0	3.6
	2016 [CSR 2016]	0.5				2016	0.1	(1.2)	29.0	3.9
	2017 [CSR 2016]	0.5				2017	0.0	(-0.1)	25.7	3.9
	2018 [Recitals 5/6 of CSR 2017]	No fiscal target [MTO achieved]				2018	-0.2	(-0.2)	24.3	3.8
CZ	"Ensure the long-term sustainability of public finances, in view of the ageing population..." [CSR 2017]		-1.0 2016 onwards (Recital 5 of CSR 2015 and CP 2015 p.2)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-0.6	(-0.8)	42.2	2.7
						2015	-0.6	(0.0)	40.0	5.3
	2016 [CSR 2016 , incl. recital 5]	No fiscal target [MTO achieved]				2016	0.9	(1.5)	36.8	2.6
	2017 [CSR 2016 , incl. recital 5]	No fiscal target [MTO achieved]				2017	0.8	(-0.1)	34.6	4.3
	2018 [CSR 2017 , incl. recital 5]	No fiscal target [MTO achieved]				2018	0.4	(-0.4)	33.3	3.0
DK	No SGP related recommendation [CSR 2017]		-0.5 2016 onwards (Recital 5 of CSR 2016)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-0.8	(0.2)	44.0	1.7
						2015	-2.1	(-1.3)	39.5	1.6
	2016 [CSR 2016]	Respect MTO				2016	0.2	(2.3)	37.7	1.7
	2017 [CSR 2016]	0.25				2017	-0.5	(-0.7)	36.1	2.3
	2018 [CSR 2017 , recital 6, no fiscal recom.]	No fiscal target [MTO achieved]				2018	-0.6	(-0.1)	35.5	2.0
HR	"Pursue its fiscal policy in line with the (...) SGP, which entails remaining at its MTO in 2018..." [CSR 2017]		-1.75 2017 (Recitals 5/6 of CSR 2017 and pp. 30/32 of CP 2013)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-3.1	(0.0)	85.8	-0.5
						2015	-1.8	(1.3)	85.4	2.2
	2016 [CSR 2016]	Correct excessive deficit				2016	-0.3	(1.5)	82.9	3.0
	2017 [CSR 2016]	0.6				2017	-0.9	(-0.6)	80.3	3.2
	2018 [CSR 2017 , incl. recital 6]	"Remain at MTO"				2018	-1.9	(-1.0)	77.4	2.8
HU	"Pursue a substantial fiscal effort in 2018 in line with the (...) SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Hungary's public finances." [CSR 2017]		-1.5 2020 (Recital 5 of CSR 2017)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-2.2	(-0.9)	75.2	4.2
						2015	-2.1	(0.1)	74.7	3.4
	2016 [CSR 2016]	0.5				2016	-2.0	(-0.1)	73.9	2.2
	2017 [CSR 2016]	0.6				2017	-3.2	(-1.2)	72.6	3.7
	2018 [CSR 2017 , incl. recital 6]	0.1				2018	-3.6	(-0.4)	71.5	3.6

PL	"Pursue a substantial fiscal effort in 2018, in line with the (...) preventive arm of the SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of (...) public finances." [CSR2017]		-1.0 After 2020 (Recital 5 of CSR 2017 and p. 24 of CP 2017)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-2.8	(0.6)	50.2	3.3	
	2016 [CSR 2016]					0.5	2015	-2.3	(0.5)	51.1	3.8
	2017 [CSR 2016]					0.5	2016	-2.2	(0.1)	54.1	2.9
	2018 [CSR 2017, incl. recital 7]					0.5	2017	-2.1	(0.1)	53.2	4.2
							2018	-2.3	(0.2)	53.0	3.8
RO	"In 2017, ensure compliance with the Council Recommendation of 16 June 2017 with a view to correcting the significant deviation from the adjustment path toward the MTO. In 2018, pursue a substantial fiscal effort in line with the (...) preventive arm of the SGP..." [CSR 2017]		-1.0 After 2020 (Recital 6 of CSR 2017)	No COM Opinion ⁶	No COM Opinion ⁶	2014	-0.4	(0.5)	39.4	3.1	
	2016 [CSR 2016]					Limit deviation from MTO	2015	-0.3	(0.1)	37.9	4.0
	2017 [CSR 2017, incl. recital 7]					0.5	2016	-2.2	(-1.9)	37.6	4.6
	2018 [CSR 2017, incl. recital 8]					0.5	2017	-3.3	(-1.1)	37.9	5.7
SE	No SGP related recommendation CSR 2017		-1.0 2012/2013 onwards (Recital 10 of CSR 2012 and pp. 22/39 of CP 2012)	No COM Opinion ⁶	No COM Opinion ⁶	2013	0.2	(0.0)	40.8	1.2	
	2016 [Recital 5 of CSR 2016]					No fiscal target [MTO achieved]	2014	-0.3	(-0.5)	45.5	2.6
	2017 [Recital 5 of CSR 2016]					No fiscal target [MTO achieved]	2015	0.4	(0.7)	44.2	4.5
	2018 [Recital 5 of CSR 2017]					No fiscal target [MTO achieved]	2016	1.1	(0.7)	42.2	3.3
							2017	0.8	(-0.3)	39.0	3.2
UK	"Pursue a substantial fiscal effort in 2018-19 in line with the requirements of the preventive arm of the SGP, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of the UK's public finances." [CSR 2017]		No MTO [Recital 5 of CSR 2017]	No COM Opinion ⁶	No COM Opinion ⁶	2014	-5.0	(-0.8)	87.4	3.1	
	2016 [CSR 2016]					Correct excessive deficit	2015	-4.4	(0.6)	88.2	2.3
	2017 [CSR 2016]					0.6	2016	-3.3	(1.1)	88.3	1.8
	2018 [Recital 7 of CSR 2017]					0.6	2017	-2.5	(0.8)	86.6	1.5
							2018	-2.2	(0.3)	85.3	1.3

Table notes: ¹ The year for which a deficit in excess of 3% of GDP was notified by the national authorities, or the year for which these authorities notified a planned budget deficit in excess of 3%.

² The source of the structural effort required by the Council is the current EDP recommendation adopted by the Council.

³ See following tables of the [statistical annex](#) to the COM autumn 2017 forecast: tables 1 (GDP growth), 36 (nominal budget balance), 41 (structural budget balance) and 42 (gross debt). For years before 2012, the data sources are [Eurostat](#) and the COM online database [AMECO](#). The table does not present figures from the more recent COM winter 2018 forecast, since the latter does not include public finance indicators. See annex 1 of this briefing for an overview of GDP growth figures of the winter forecast and the revisions compared to autumn.

⁴ See [COM autumn 2017 forecast](#) Box I.4 (page 69) "*Some technical elements behind the forecast*".

⁵ See table 41 (structural budget balance) of the [statistical annex](#) to the COM autumn 2017 forecast. In brackets the year on year change of the structural balance in percentage points of GDP, which can be regarded only as a proxy for the "*effective action*" / "*fiscal effort*", as the assessment of effective action by COM takes also account many other elements (see pp. 36-56 and pp. 85-91 of the [SGP Vademecum](#) of March 2017).

⁶ DBP had to be submitted only by euro area Member States not subject to a macroeconomic adjustment programme.

⁷ The COM and Member States update every few years the MTOs on the basis of the agreed methodology of the Code of Conduct of the SGP (please see the [Commission Institutional paper](#) 034, September 2016, p. 12). For this table, CSRs as adopted by the Council in 2012-2017 have been used as the main source to identify target dates to achieve the MTOs.

⁸ In the case of SI, the table includes also the minimum MTO calculated by the COM, since SI nominated an MTO in its 2016 and 2017 Stability Programmes, which does, in the view of the COM, neither adequately take into account the need to bring debt below the Treaty reference value nor the implicit liabilities related to ageing. See Table A4.7 of "Annexes to COM Overall Assessment on 2017 DBPs" ([p. 18](#)).

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Annex 1: GDP growth - Comparison of autumn 2017 and winter 2018 forecasts by the European Commission

Member states	Winter 2018			Autumn 2017			Difference		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Belgium	1.7	1.8	1.7	1.7	1.8	1.7	0.0	0.0	0.0
Germany	2.2	2.3	2.1	2.2	2.1	2.0	0.0	0.2	0.1
Estonia	4.3	3.3	2.8	4.4	3.2	2.8	-0.1	0.1	0.0
Ireland	7.3	4.4	3.1	4.8	3.9	3.1	2.5	0.5	0.0
Greece	1.6	2.5	2.5	1.6	2.5	2.5	0.0	0.0	0.0
Spain	3.1	2.6	2.1	3.1	2.5	2.1	0.0	0.1	0.0
France	1.8	2.0	1.8	1.6	1.7	1.6	0.2	0.3	0.2
Italy	1.5	1.5	1.2	1.5	1.3	1.0	0.0	0.2	0.2
Cyprus	3.8	3.2	2.8	3.5	2.9	2.7	0.3	0.3	0.1
Latvia	4.5	3.5	3.2	4.2	3.5	3.2	0.3	0.0	0.0
Lithuania	3.8	2.9	2.6	3.8	2.9	2.6	0.0	0.0	0.0
Luxembourg	3.4	3.9	3.6	3.4	3.5	3.3	0.0	0.4	0.3
Malta	6.9	5.6	4.5	5.6	4.9	4.1	1.3	0.7	0.4
Netherlands	3.2	2.9	2.5	3.2	2.7	2.5	0.0	0.2	0.0
Austria	3.1	2.9	2.3	2.6	2.4	2.3	0.5	0.5	0.0
Portugal	2.7	2.2	1.9	2.6	2.1	1.8	0.1	0.1	0.1
Slovenia	4.9	4.2	3.5	4.7	4.0	3.3	0.2	0.2	0.2
Slovakia	3.4	4.0	4.2	3.3	3.8	4.0	0.1	0.2	0.2
Finland	3.3	2.8	2.5	3.3	2.7	2.4	0.0	0.1	0.1
Euro area	2.4	2.3	2.0	2.2	2.1	1.9	0.2	0.2	0.1
Bulgaria	3.8	3.7	3.5	3.9	3.8	3.6	-0.1	-0.1	-0.1
Czech Republic	4.5	3.2	2.9	4.3	3.0	2.9	0.2	0.2	0.0
Denmark	2.1	2.0	1.9	2.3	2.0	1.9	-0.2	0.0	0.0
Croatia	3.2	2.8	2.7	3.2	2.8	2.7	0.0	0.0	0.0
Hungary	3.8	3.7	3.1	3.7	3.6	3.1	0.1	0.1	0.0
Poland	4.6	4.2	3.6	4.2	3.8	3.4	0.4	0.4	0.2
Romania	6.7	4.5	4.0	5.7	4.4	4.1	1.0	0.1	-0.1
Sweden	2.7	2.7	2.0	3.2	2.7	2.2	-0.5	0.0	-0.2
United Kingdom	1.8	1.4	1.1	1.5	1.3	1.1	0.3	0.1	0.0
EU 28	2.4	2.3	2.0	2.3	2.1	1.9	0.1	0.2	0.1

Source: [European Commission \(statistical annex of winter forecast 2018\)](#); own calculations for the differences between winter 2018 and autumn 2017 forecasts.