

Implementation of the Stability and Growth Pact - June 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

- On 23 May 2018, the COM presented the [2018 European Semester Spring Package](#), including:
 - (1) The COM proposals for the 2018 [Country-Specific Recommendations](#) (CSRs, see also [separate EGOV overview](#)), which inter alia contain explicit fiscal targets in terms of annual structural adjustment and growth of net primary government expenditure. Notably the fiscal CSRs reflect the recommendations for Council Opinions on the [2018 Stability and Convergence Programmes](#) (SCPs).
 - (2) A recommendation to the Council to abrogate **the Excessive Deficit Procedure** (EDP) for **France**, since the general government deficit dropped under the 3% threshold in 2017 and is forecast to remain below this threshold in 2018/2019. With an abrogation of the EDP for France, Spain would be the only remaining Member State subject to an EDP, compared to 24 Member States in 2011.
 - (3) Reports on Belgium and Italy under Article 126(3) TFEU, reviewing their **compliance with the debt criterion** as defined in the Treaty and in Regulation (EC) No 1467/1997:
 - **Belgium:** (a) The [report of 23 May 2018](#) concluded that there is overall not sufficiently robust evidence to conclude on the existence of a significant deviation in 2017 and over 2016 and 2017 together; however, the COM also judged that the adjustment in 2018 appears inadequate to ensure compliance with the adjustment path towards the **medium term objective** (MTO) in 2018; it therefore recommends Belgium to take the necessary measures as of 2018 to comply with the SGP;
 - (b) Already in [2015, 2016 and 2017](#), the COM prepared Art. 126(3) reports for Belgium; all of them concluded that “*prima facie*” the debt criterion appears to be not fulfilled, but that a consideration of all relevant factors suggests that it should be considered as complied with.
 - **Italy:** (a) The [report of 23 May 2018](#) concluded that Italy complied ex-post with the required adjustment towards the MTO in 2017 and there is some progress in adopting and implementing growth-enhancing structural reforms, so that, overall, the analysis the debt criterion should be considered as currently complied with; however, the report also concluded that the adjustment in 2018 appears inadequate to ensure compliance with the adjustment path towards the MTO in 2018.



(b) Already in [2015, 2016 and 2017](#), the COM prepared Art. 126(3) reports for Italy; while the 2015 and 2016 reports concluded on the basis of a consideration of all relevant factors that the debt criterion should be considered as complied with, the [2017 report](#) concluded that the debt criterion should be considered as not complied with and postponed a decision on whether to recommend opening an EDP to the analysis of the COM 2017 spring forecast; the [2017 CSRs for Italy](#) concluded in that respect: *“In April 2017, the Government adopted the requested additional consolidation measures. Therefore, no further steps are deemed to be necessary for compliance with the debt criterion (...)”*.

(4) Warnings and recommendations to [Hungary](#) and [Romania](#): warnings on the existence of an **observed significant deviation** from the adjustment path towards the MTO and recommendations with a view to correcting them. Romania has already been for one year in a Significant Deviation Procedure: on 16 June 2017, it received a [recommendation](#) by the Council with a view to correcting an observed significant deviation from the adjustment path towards the MTO; following an [assessment of no effective action](#), the Council adopted on 5 December 2017 a [revised recommendation](#); on 23 May 2018, the COM issued a [Recommendation for a Council Decision](#) establishing that no effective action has been taken by Romania in response to that (revised) Council Recommendation. Note that, in accordance with Art. 6(3) and 10(3) of Regulation (EC) 1466/97, a deviation is significant if it has a total impact on the government balance of at least 0.5% of GDP in a single year or cumulatively in two consecutive years.

(5) An [opinion](#) on the [updated Spanish DBP](#) of 30 April 2018, concluding that, overall, the updated DBP of Spain is broadly compliant with the provisions of the SGP, *“as the COM 2018 spring forecast projects that the excessive deficit will be corrected in a timely manner. However, the COM forecast projects that in 2018 neither the headline deficit target nor the required fiscal effort set by the Council notice will be met. On the contrary, the updated DBP is expansionary, while the Spanish economy is growing above its potential growth rate. The COM invites the authorities to stand ready to take further measures within the national budgetary process to ensure that the 2018 budget is compliant with the SGP.”*

(6) A [Communication on the review of the flexibility under the SGP](#), which concludes the key objectives of the [COM Communication on flexibility of January 2015](#) have been met to a large extent and includes the following summary: *“Four Member States have applied to make use of the structural reforms and/or investment clauses since 2015: **Italy, Latvia, Lithuania and Finland** for structural reform; **Italy and Finland** for investment. Nearly half of the Member States would have been eligible to apply to make use of the structural reform clause but most did not request to do so. The condition that a Member State must be experiencing bad economic times to benefit from the investment clause limited its use significantly. The need to respect the safety margin vis-à-vis the 3% deficit ceiling for 3 years has also proven constraining for some Member States.”*

- An **overview comparing the key public finance figures** included in the 2018 SCPs and in the spring 2018 forecast of the COM is presented in a [separate EGOV overview](#).
- In 2017, the structural budget position improved in 16 Member States, while it is expected not to improve in any Member State in 2018 (see overleaf tables and - for the preventive arm- annex 1 of a separate [EGOV briefing](#) on structural balances).
- According to the [COM spring 2018 forecast](#), 2018 is expected to be the first year since the start of the Economic and Monetary [Union](#) in which all governments achieve deficits of less than 3% of GDP. The public deficit in the euro area is now forecast to fall to 0.7% of GDP in 2018 and 0.6% in 2019. In the EU, the deficit is forecast to be at 0.8% in 2018 and 2019. The euro area's debt-to-GDP ratio is forecast to fall to 84.1% in 2019, with declines in almost all Member States.
- 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 the EDP for the **United Kingdom**.
- On [4 December 2017](#), the **Eurogroup discussed the COM opinions** (of November 2017) on the 2018 DBPs; it agreed with the COM opinions and 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 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 and six (**Belgium, France, Italy, Austria, Portugal and Slovenia**) are judged to be at risk of non-compliance. On the basis of its [updated DBP of March 2018](#), Austria is however considered to be broadly compliant with the SGP (see [COM opinion of April 2018](#)); as regards the [updated DBP of Spain](#) of 30 April 2018, the COM confirmed in [its opinion of May 2018](#) that the DBP is broadly compliant with the SGP (see p. 2 of this briefing). Overleaf tables provide a summarising overview on all opinions of the 2017 and 2018 DBPs of euro area Member States.
- For Greece, the EDP was closed in [September 2017](#) and for **Croatia** and **Portugal** in [June 2017](#).
- For an overview of key public finance indicators (budget balances, fiscal effort and gross debt) in relation to the current Council recommendations, see overleaf tables. While the 2018 fiscal CSRs also focus on compliance with the expenditure benchmark (medium-term potential economic growth rate), no data series on the relevant indicator used to assess compliance (net primary government expenditure¹) has been published; the draft 2018 CSRs and the [COM assessments on the 2018 SCPs](#) provide only some indications on their values.

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 current [Code of Conduct on the SGP implementation](#) and in [Annex 5 of the 2018 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.

¹ Net primary government expenditure comprises total government expenditure excluding interest expenditure, expenditure on Union programmes fully matched by Union funds revenue and non-discretionary changes in unemployment benefit expenditure. Nationally financed gross fixed capital formation is smoothed over a 4-year period. Discretionary revenue measures or revenue increases mandated by law are factored in. One-off measures on both the revenue and expenditure sides are netted out.

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 (<i>COM opinions of November 2017 on France and of May 2018 on Spain</i>)	Compliance of 2017 DBP with the SGP (<i>COM opinions of November 2016 and January 2017</i>)	COM forecast - spring 2018 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 <i>(Aug. 2016)</i> 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	-7.0 (-)	60.1	0.0
						2011	-9.6	-6.3 (0.7)	69.5	-1.0
						2012	-10.5	-3.1 (3.2)	85.7	-2.9
						2013	-7.0	-1.7 (1.4)	95.5	-1.7
						2014	-6.0	-1.5 (0.2)	100.4	1.4
						2015	-5.3	-2.4 (-0.9)	99.4	3.4
						2016	-4.5	-3.3 (-0.9)	99.0	3.3
						2017	-3.1	-3.0 (0.3)	98.3	3.1
2018	-2.6	-3.3 (-0.3)	97.6	2.9						
FR	2008	2017 <i>(Mar 2015)</i> 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	-3.3	- (-)	68.7	0.2
						2009	-7.2	- (-)	82.9	-2.9
						2010	-6.9	-5.9 (-)	85.1	2.0
						2011	-5.2	-5.0 (0.9)	87.8	2.1
						2012	-5.0	-4.3 (0.7)	90.7	0.2
						2013	-4.1	-3.4 (0.9)	93.5	0.6
						2014	-3.9	-3.0 (0.4)	94.9	0.9
						2015	-3.6	-2.7 (0.3)	95.6	1.1
						2016	-3.4	-2.6 (0.1)	96.6	1.2
						2017	-2.6	-2.1 (0.5)	97.0	1.8
2018	-2.3	-2.1 (0.0)	96.4	2.0						

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 (<i>COM Opinions of November 2017 and March 2018, based on COM autumn 2017 forecast</i>)	Compliance of 2017 DBP with the SGP (<i>COM Opinions of November 2016 and January 2017, based on COM autumn 2016 forecast</i>)	COM forecast - spring 2018 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 (0.2)	107.0	1.4		
					2015	-2.2 (0.7)	106.1	1.4		
					2016 [CSR 2016]	0.6	2016	-2.1 (0.1)	105.9	1.5
					2017 [CSR 2016]	0.6	2017	-1.3 (0.8)	103.1	1.7
					2018 [recital 10 of CSR 2017]	0.6	2018	-1.4 (-0.1)	101.5	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	1.1 (0.8)	74.7	1.9		
					2015	1.1 (0.0)	71.0	1.7		
					2016 [CSR 2016, recital 5]	No fiscal target [MTO achieved]	2016	1.1 (0.0)	68.2	1.9
2017 [CSR 2017, incl. recitals 6/7]	No fiscal target [MTO achieved]	2017	1.5 (0.4)	64.1	2.2					
2018 [CSR 2017, incl. recitals 6/7]	No fiscal target [MTO achieved]	2018	1.2 (-0.3)	60.2	2.3					
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	-0.0 (0.0)	10.0	1.7		
					2016 [CSR 2016, including recital 5]	No fiscal target [MTO achieved]	2016	-0.4 (-0.4)	9.4	2.1
					2017 [CSR 2017, including recital 7]	"Remain at MTO"	2017	-1.2 (-0.8)	9.0	4.9
					2018 [CSR 2017, including recital 7]	"Remain at MTO" [risk of some deviation]	2018	-1.3 (-0.1)	8.8	3.7

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	-3.6	(0.8)	104.5	8.3
						2015	-1.5	(2.1)	76.9	25.6
	2016 [CSR 2016]	0.6				2016	-0.8	(0.7)	72.8	5.1
	2017 [CSR 2016]	0.6				2017	-0.1	(0.7)	68.0	7.8
	2018 [CSR 2017, incl. recital 9]	0.6				2018	-0.6	(-0.5)	65.6	5.7
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	2.4	(-0.2)	178.9	0.7
						2015	2.2	(-0.2)	176.8	-0.3
						2016	4.4	(2.2)	180.8	-0.2
						2017	4.0	(-0.4)	178.6	1.4
						2018	2.5	(-1.5)	177.8	1.9
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	-0.8	(-0.1)	131.8	0.1
	2016 [CSR 2016]	-0.25				2015	-0.6	(0.2)	131.5	1.0
	2017 [CSR 2016]	0.6				2016	-1.4	(-0.8)	132.0	0.9
	2018 [CSR 2017, incl. recital 10]	0.6				2017	-1.7	(-0.3)	131.8	1.5
						2018	-1.7	(0.0)	130.7	1.5
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	(4.0)	107.5	-1.4
	2016 [CSR2016]	Respect MTO				2015	1.7	(-1.6)	107.5	2.0
	2017 [CSR2016]	Respect MTO				2016	1.2	(-0.5)	106.6	3.4
	2018 [recital 7 of CSR 2017]	0.2				2017	1.4	(0.2)	97.5	3.9
						2018	0.8	(-0.6)	105.7	3.6
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	-1.1	(-0.2)	40.9	1.9
						2015	-1.5	(-0.4)	36.8	3.0
	2016 [CSR 2016, incl. recital 5]	"Limit the deviation from the MTO"				2016	-0.3	(1.2)	40.5	2.2
	2017 [CSR 2017, incl. recital 7]	No fiscal target [MTO achieved]				2017	-1.2	(-0.9)	40.1	4.5
	2018 [CSR 2017, incl. recital 7]	-0.3				2018	-1.9	(-0.7)	37.0	3.3

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...” [CSR 2017]		-1.0 2015 (onwards) (Recital 8 of CSR 2014 and p.3 of CP 2014)	Compliant	Risk of non-compliance	2014	-1.4	(0.5)	40.5	3.5
	2016 [CSR 2016]	No fiscal target [MTO achieved]				2015	-0.7	(0.7)	42.6	2.0
	2017 [CSR 2017, incl. recital 8]	No fiscal target [MTO achieved]				2016	-0.3	(0.4)	40.1	2.3
	2018 [CSR 2017, incl. recital 8]	No fiscal target [MTO achieved]				2017	-0.6	(-0.3)	39.7	3.8
						2018	-0.7	(-0.1)	36.0	3.1
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	1.9	(0.9)	22.7	5.8
	2016 [CSR 2016, incl. recital 5]	No fiscal target [MTO achieved]				2015	1.6	(-0.3)	22.0	2.9
	2017 [CSR 2017, incl. recital 6]	No fiscal target [MTO achieved]				2016	1.8	(0.2)	20.8	3.1
	2018 [CSR 2017, incl. recital 6]	No fiscal target [MTO achieved]				2017	1.8	(0.0)	23.0	2.3
						2018	0.8	(-1.0)	22.6	3.7
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	-2.6	(-0.9)	63.8	8.1
	2016 [CSR 2016]	0.6				2015	-2.5	(0.1)	58.7	9.9
	2017 [CSR 2016]	0.6				2016	0.5	(3.0)	56.2	5.5
	2018 [Recital 7 of CSR 2017]	No fiscal target [MTO achieved]				2017	3.5	(3.0)	50.8	6.6
						2018	0.6	(-2.9)	47.1	5.8
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	(-0.3)	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	0.8	(1.7)	61.8	2.2
	2018 [CSR 2017, incl. recital 6]	No fiscal target [MTO achieved]				2017	0.5	(-0.3)	56.7	3.2
						2018	-0.1	(-0.6)	53.5	3.0
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)	Broadly compliant	Broadly compliant	2014	-0.7	(1.0)	84.0	0.8
	2016 [CSR 2016, incl. recital 6]	No fiscal target [but “further measures will be needed”]				2015	-0.1	(0.6)	84.6	1.1
	2017 [CSR 2016]	0.3				2016	-0.9	(-0.8)	83.6	1.5
						2017	-0.6	(0.3)	78.4	2.9

	2018 [CSR 2017, incl. recital 8]	0.3				2018	-0.8	(-0.2)	74.8	2.8
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	-1.8	(1.3)	130.6	0.9
						2015	-2.3	(-0.5)	128.8	1.8
	2016 [CSR 2016, incl. recital 6]	0.6				2016	-2.0	(0.3)	129.9	1.6
	2017 [CSR 2016]	0.6				2017	-1.1	(0.9)	125.7	2.7
	2018 [CSR 2017, incl. recital 8]	0.6				2018	-1.1	(0.0)	122.5	2.3
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	-2.1	(-0.9)	80.3	3.0
						2015	-1.3	(0.8)	82.6	2.3
	2016 [CSR 2016]	0.6				2016	-1.1	(0.2)	78.6	3.1
	2017 [CSR 2016]	0.6				2017	-0.6	(0.5)	73.6	5.0
	2018 [CSR 2017, incl. recital 9]	1.0			2018	-1.1	(-0.5)	69.3	4.7	
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	-2.1	(-0.5)	53.5	2.8
						2015	-2.2	(-0.1)	52.3	3.9
	2016 [CSR 2016]	0.25				2016	-2.0	(0.2)	51.8	3.3
	2017 [CSR 2016]	0.5				2017	-1.0	(1.0)	50.9	3.4
	2018 [CSR 2017, incl. recital 8]	0.5				2018	-1.2	(-0.2)	49.0	4.0
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	(-0.4)	60.2	-0.6
						2015	-0.9	(0.6)	63.5	0.1
	2016 [CSR 2016]	0.5				2016	-0.7	(0.2)	63.0	2.1
	2017 [CSR 2016]	0.6				2017	-0.1	(-0.6)	61.4	2.6
	2018 [CSR 2017, incl. recital 6]	0.1				2018	-0.8	(-0.7)	60.4	2.5

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	-1.7	(-1.6)	27.0	1.3
						2015	-1.1	(0.6)	26.0	3.6
	2016 [CSR 2016]	0.5				2016	0.3	(1.4)	29.0	3.9
	2017 [CSR 2016]	0.5				2017	0.9	(0.6)	25.4	3.6
	2018 [Recitals 5/6 of CSR 2017]	No fiscal target [MTO achieved]				2018	0.5	(-0.4)	23.3	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	-0.7	(-0.9)	42.2	2.7
						2015	-0.5	(0.2)	40.0	5.3
	2016 [CSR 2016 , incl. recital 5]	No fiscal target [MTO achieved]				2016	1.0	(1.5)	36.8	2.6
	2017 [CSR 2016 , incl. recital 5]	No fiscal target [MTO achieved]				2017	1.2	(0.2)	34.6	4.4
	2018 [CSR 2017 , incl. recital 5]	No fiscal target [MTO achieved]				2018	0.9	(-0.3)	32.7	3.4
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	-0.7	(0.4)	44.3	1.6
						2015	-1.8	(-1.1)	39.9	1.6
	2016 [CSR 2016]	Respect MTO				2016	0.3	(2.1)	37.9	2.0
	2017 [CSR 2016]	0.25				2017	1.4	(1.1)	36.4	2.3
	2018 [CSR 2017 , recital 6, no fiscal recom.]	No fiscal target [MTO achieved]				2018	0.3	(-1.1)	33.6	1.8
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	-3.4	(-0.2)	84.0	-0.1
						2015	-2.4	(1.0)	83.8	2.3
	2016 [CSR 2016]	Correct excessive deficit				2016	-0.7	(1.7)	80.6	3.2
	2017 [CSR 2016]	0.6				2017	0.4	(1.1)	78.0	2.8
	2018 [CSR 2017 , incl. recital 6]	"Remain at MTO"				2018	-0.3	(-0.7)	73.7	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	-2.1	(-0.7)	76.6	4.2
						2015	-2.0	(0.1)	76.7	3.4
	2016 [CSR 2016]	0.5				2016	-1.8	(0.2)	76.0	2.2
	2017 [CSR 2016]	0.6				2017	-3.1	(-1.3)	73.6	4.0
	2018 [CSR 2017 , incl. recital 6]	0.1				2018	-3.6	(-0.5)	73.3	4.0

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)	50.3	3.3
	2016 [CSR 2016]	0.5				2015	-2.3	(0.5)	51.1	3.8
	2017 [CSR 2016]	0.5				2016	-2.0	(0.3)	54.2	3.0
	2018 [CSR 2017, incl. recital 7]	0.5				2017	-2.0	(0.0)	50.6	4.6
						2018	-2.2	(-0.2)	49.6	4.3
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	-0.3	(0.6)	39.1	3.1
	2016 [CSR 2016]	Limit deviation from MTO				2015	-0.2	(0.1)	37.7	4.0
	2017 [CSR 2017, incl. recital 7]	0.5				2016	-2.1	(-1.9)	37.4	4.8
	2018 [CSR 2017, incl. recital 8]	0.5				2017	-3.3	(-1.2)	35.0	6.9
						2018	-3.8	(-0.5)	35.3	4.5
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	0.1	(-0.1)	39.4	0.8
	2016 [Recital 5 of CSR 2016]	No fiscal target [MTO achieved]				2014	-0.3	(-0.4)	45.5	2.6
	2017 [Recital 5 of CSR 2016]	No fiscal target [MTO achieved]				2015	0.3	(0.6)	44.2	4.5
	2018 [Recital 5 of CSR 2017]	No fiscal target [MTO achieved]				2016	0.9	(0.6)	42.1	3.2
						2017	1.2	(0.3)	40.6	2.4
						2018	0.7	(-0.5)	38.0	2.6
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)	88.2	1.9
	2018 [Recital 7 of CSR 2017]	0.6				2017	-2.4	(0.9)	87.7	1.8
						2018	-2.4	(0.0)	86.3	1.5

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 spring 2018 forecast: tables 1 (GDP growth), 36 (nominal budget balance), 41 (structural budget balance) and 42 (gross debt). For years before 2014, the data sources are [Eurostat](#) and the COM online database [AMECO](#).

⁴ See [COM spring 2018 forecast](#) Box I.4 (page 68) "*Some technical elements behind the forecast*".

⁵ See table 41 (structural budget balance) of the [statistical annex](#) to the COM spring 2018 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. 192-208 of the [SGP Vademecum](#) of March 2018).

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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