

**Question for written answer E-002353/2012
to the Commission**

Rule 117

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Subject: Relaxation of the deficit

On 24 February 2012, the European Commission proposed that the deficit targets be revised; Spain is in a clear situation of economic recession and, therefore, deficit targets must be relaxed in accordance with legal provisions.

Article 126 of the Treaty on the Functioning of the European Union (TFEU) states that 'if a Member State does not fulfil the requirements under one or both of these criteria, the Commission shall prepare a report. The report of the Commission shall also take into account whether the government deficit exceeds government investment expenditure and take into account all other relevant factors, including the medium-term economic and budgetary position of the Member State'.

Article 8 of Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances stipulates that 'the corrective action plan shall take into account the economic and social impact of the policy actions and shall be consistent with the broad economic policy guidelines and the employment guidelines'.

Regulation (EU) No 1177/2011 on speeding up and clarifying the implementation of the excessive deficit procedure stipulates that 'the excess of a government deficit over the reference value shall be considered exceptional, [...] when resulting from an unusual event outside the control of the Member State concerned and with a major impact on the financial position of general government, or when resulting from a severe economic downturn'.

What recommendation does the Commission intend to make to the Council regarding the Spanish deficit?

With the recession data forecasted, why did the Commission not review the targets before?

Taking into account the aforementioned regulations, what recommendations will the Commission make on economic adjustment if the entire euro area enters into recession?

Does the Commission see a contradiction between application of such secondary legislation and the new intergovernmental agreement, known as the Fiscal Compact, signed by the Member States? Can the Commission ask that the Treaty should not be ratified, given the doubts regarding its compatibility with Article 126 of the TFEU?