

VALDIS DOMBROVSKIS
Vice-President of the European Commission

PIERRE MOSCOVICI
Member of the European Commission

Brussels, 27 October 2017

Mr Luis De Guindos
Minister of Economy, Industry and Competitiveness
Paseo de la Castellana 162
ES – 28071 Madrid

Dear Minister,

Thank you for the submission of Spain's Draft Budgetary Plan (DBP) for 2018, which we received on 16 October. We acknowledge that the DBP only includes the policy measures that the government has adopted to date, with no new planned measures for 2018, and take note of the government's commitment to submit an updated Draft Budgetary Plan for 2018, as soon as the draft budget law for 2018 is sent to the Spanish parliament.

While the deficit projection for 2017 in the no-policy-change DBP is in line with the headline deficit target of 3.1% of GDP under the Excessive Deficit Procedure, the deficit for 2018 (the deadline for correcting the excessive deficit) is forecast at 2.3% of GDP, 0.1 pp above the target. Moreover, the required fiscal effort of 0.5% of GDP in 2018 is also not projected to be achieved.

Although we understand that the presentation of the budget is lagging behind its usual schedule, we wish to highlight the importance of a timely submission of a fully-fledged DBP, as set out in the Code of Conduct of the Stability and Growth Pact.

We therefore invite the Spanish authorities to submit, as soon as possible, an updated DBP to the Commission and the Eurogroup, which will ensure compliance with the targets set out in the Council decision under Article 126(9) TFEU of 8 August 2016.

Yours sincerely,



Valdis Dombrovskis




Pierre Moscovici