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Commissioner for the Economy

Mr. Vasile-Florin Cîțu
Minister of Public Finance
Bulevardul Libertății, 16
Bucharest, ROMANIA

Brussels, 06 April 2020
Ares(2020)-s2206541

Dear Minister,

We are writing in relation to the Recommendation with a view to bringing an end to the situation of an excessive government deficit in Romania, adopted by the Council on 3rd April 2020, under the Article 126(7) of the Treaty.

The Excessive Deficit Procedure (EDP) is based on the breach of the Treaty deficit reference value in 2019, which was caused by expansionary measures enacted in recent years. Even before the impact of the COVID-19 pandemic, the deficit was projected to further increase significantly in 2020 and the coming years on a no-policy change scenario. Reversing this unsustainable underlying trend becomes even more pressing in the current context where budgetary resources need to be mobilised to respond to the COVID-19 crisis.

At the same time, let us stress that in the assessment of effective action in response to the Recommendation, due to take place this autumn, the Commission will take fully into account the economic and fiscal impact of the COVID-19 outbreak as well as the implications of the recently activated general escape clause of the Stability and Growth Pact.

At that point in time, there should be a more stable basis to reassess the macroeconomic and fiscal path in view of the COVID-19 outbreak. The Commission will then stand ready to revise the Recommendation accordingly.

The Commission services remain at your disposal to engage in technical discussions on possible measures.

Yours sincerely,

Valdis DOMBROVSKIS

Paolo GENTILONI