PIERRE MOSCOVICI Member of the European Commission

Brussels, 25<sup>th</sup> October 2016

Dear Minister,

Thank you for the submission of Belgium's Draft Budgetary Plan (DBP) for 2017, which we received on 17 October.

While the planned change in the structural balance for 2017 appears in line with the effort of at least 0.6% of GDP recommended by the Council on 12 July 2016, a preliminary assessment points to risks as to the achievement of that effort, owing in particular to different underlying assumptions, methodological factors and divergent views on the yield of certain new measures included in the DBP.

Therefore, we would welcome further information on the precise composition of the structural effort envisaged in 2017.

We would also like to recall that Belgium's broad compliance with the preventive arm of the Stability and Growth Pact is a key relevant factor in the report under article 126(3) TFEU on the prima facie breach of the debt rule in 2015. In this respect, compliance risks in 2016 exist, even after taking into account the temporary deviation allowed for additional refugee and security-related expenditure.

The Commission seeks to continue a constructive dialogue with Belgium in order to come to a final assessment. We would welcome your views by Thursday 27 October 2016, close of business, to allow the Commission to take these into account in its further analysis. Our services stand ready to assist you in this process.

Yours sincerely,

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Valdis Dombrovskis

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Pierre Moscovici

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