



EUROPEAN COMMISSION  
 DIRECTORATE GENERAL  
 ECONOMIC AND FINANCIAL AFFAIRS

The Director-General

Brussels, 14 October 2019

Dear Mr Saarenheimo, *dear Tuomas,*

We would like to thank you for the submission of Finland's Draft Budgetary Plan (DBP) for 2020, which we received on 7 October. In line with the provisions of Article 7 of Regulation (EU) No. 473/2013, we are writing to ask for clarifications on the compliance of Finland's planned fiscal expansion in 2020 with the requirements of the preventive arm of the Stability and Growth Pact.

The DBP plans a change in the structural balance in 2020 amounting to a worsening by 0.1% of GDP at face value, which once recalculated by the Commission services according to the commonly agreed methodology amounts to an improvement by 0.1% of GDP. The DBP plans a nominal rate of growth of net primary government expenditure of 3.1%, which exceeds the recommended maximum increase of 1.9%. This points to a risk of significant deviation in 2020 and over 2019 and 2020 together from the budgetary policy obligations required in the Council recommendation of 9 July 2019.

In relation to this, we would welcome further information on the precise composition of the structural balance changes and expenditure developments envisaged in the DBP in 2020.

The European Commission seeks to continue a constructive dialogue with Finland in order to come to a final assessment. We would appreciate receiving your views by 16 October 2019, to allow the Commission to take them into account before it provides its formal Opinion on your DBP. My services stand ready to assist you in this process.

Yours sincerely,

Marco Buti

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